



PROPOSED **BIENNIAL BUDGET** AND CAPITAL IMPROVEMENT PLAN

FISCAL YEAR 2023 - 2025

SEE WHAT
TORRANCE IS DOING

CITY OF TORRANCE • DEPARTMENT OF FINANCE



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Torrance
California**

For the Fiscal Year Beginning

July 01, 2022

Christopher P. Morrell

Executive Director

Last year's Adopted Fiscal Year 2022-23 Operating Budget and Capital Improvement Plan received an award from the Government Finance Officer's Association of the United States and Canada (GFOA). The GFOA presented a Distinguished Budget Presentation Award to the City of Torrance for its annual budget for the fiscal year beginning July 1, 2022. In order to receive this award, a governmental entity must publish a budget document that meets program rating criteria, as a policy document, operations guide, financial plan, and communications device. This award is valid for a period of one year only. In preparing the Fiscal Year 2023-25 Operating Budget and Capital Improvement Plan, staff has once again followed the GFOA criteria. This document will be submitted for consideration for the period beginning fiscal year July 1, 2023.

The background image shows an art gallery with large landscape paintings on the wall. The paintings depict arid, desert-like environments with various structures and figures. In the foreground, there are several large, rectangular objects, possibly art installations or sculptures, with a striped pattern. The entire image is overlaid with a solid blue color.

BUDGET MESSAGE

Budget Message

Message from the City Manager

To Mayor, City Council and the Torrance Community,

I am pleased to present a balanced budget for the Proposed Fiscal Year 2023-25 Operating Budget and Capital Improvement Plan for the City of Torrance.

The start of this fiscal year marked the first year since 2020 that the nation was without COVID-19 pandemic restrictions. Though much needed stimulus packages in 2021 increased money supply, increased consumer demands have created inflationary pressures, which have not yet cooled to target levels of 2%. While the economy is facing numerous challenges and uncertainties, we see many reasons for optimism. Torrance's commitment to swift recovery, coupled with support from the City Council to take several key mitigating actions such as strategic organizational restructuring, holding positions temporarily vacant, and leveraging State and Federal appropriations to reduce the burden on the City's General Fund, all allowed for the City to rebuild its reserves to a balance of \$44.7 million as of June 30, 2022, meeting the 20% recommended minimum threshold by government budget standards. This year also marks the first time the City's 5-year General Fund revenue growth is outpacing expenditure growth in 7 years - a tangible outcome of the City's efforts in identifying efficiencies and focus on long-term financial stability.

A large part of the City's long-term financial stability is attributable to the Torrance community's support of the passage of Measure SST (Safe, Strong Torrance). FY23-24 will be the first in which the community will benefit from a full 12 months of receipts, initially projected at \$18.0 million per year. The revised budgeted receipts are projected at \$22.9 million per year. Measure SST funds are prioritized towards rebuilding the City's rainy day funds through fiscal sustainability, quality of life programs such as homeless response, addressing deferred maintenance of community facilities and community service programs, emergency responsiveness, and cyber security. Examples of projects to be funded by Measure SST include: park playground equipment, park restroom replacements, shelving replacements at libraries, planting 7,000 trees citywide, among many other priority projects benefiting the public. In total, there is \$18.6 million in Measure SST funded priority projects identified in the coming five-year Capital Improvement Plan. On April 11, 2023, the City Council appointed 7 members to the newly created Measure SST Committee, whose duties are to ensure the funds are used as promised and approved by the City Council, and only to benefit the Torrance community.

As always, we continue to monitor important economic indicators and trends, and adjust expectations accordingly. The budget before you prioritizes top notch customer service to our residents, businesses, employer and visitors; focuses on employee retention and recruitment; cultural and recreational programming; strategic planning; addresses homelessness; and makes substantial new investments in infrastructure repairs and public safety.

Homelessness

The City continues to closely monitor the number of people experiencing homelessness in Los Angeles County and in Torrance to guide the City's response. In Torrance, based on the annual Los Angeles Homeless Services Authority homeless count, the overall number of people experiencing homelessness in Torrance in 2020 was 322, and in 2022 was 306. While this number does represent an overall decline of 5% in the number of people experiencing homelessness, the decline is attributed to a decrease in vehicular homelessness. The number of people experiencing unsheltered street homelessness in 2020 was 75, and the in 2022 was 124, representing an increase of 65%.

In response to the growing number of individuals experiencing homelessness, on June 22, 2021, City Council approved the Torrance Civic Center grounds to be the site of a 12-month pilot period for a temporary housing program. On July 5, 2022, the 3290 Temporary Housing Village was fully activated, and Harbor Interfaith Services, a nonprofit organization with over 30 years of experience in running programs for homeless services, is the site operator. The site includes forty 64-square feet temporary housing units (tiny homes), one guard booth, three 100-square feet staff trailers, two restroom/shower facilities (one ADA accessible), and a laundry facility. 3290 Temporary Housing Village at Civic Center Drive (3290) couples temporary housing in the form of a tiny home for people experiencing homelessness with case management, housing navigation, and support services. The goal of the program is for participants to achieve permanent housing solutions, such as family reunification, subsidized housing, or permanent supportive housing. The site serves 40 people, and as of April 11, 2023, 14 individuals have attained permanent housing. The site continues to be at full capacity, and there is a waitlist of individuals experiencing homelessness who are seeking to be part of the temporary housing program. At their meeting on April 11, 2023, City Council approved the extension of the 3290 Temporary Housing Village for 24 months.

In addition to the temporary housing program, the City continues to operate a street outreach program, connecting unhoused individuals with services to attain permanent housing. In August 2022, the City welcomed an Outreach Coordinator, who now works directly for the City, to lead all outreach efforts. Street outreach becomes critical in connecting people with services, particularly because the 3290 Temporary Housing Village is at capacity and is anticipated to remain at capacity for the foreseeable future.

The City Manager's Office continues to lead the Homeless Response Team, which includes key City departments to strategize solutions for a coordinated response to specific community concerns. The City partners with regional agencies, such as Caltrans, BNSF Railway, the Los Angeles Homeless Services Authority, LA County Homeless Initiative, South Bay Cities Council of Governments, and nonprofit homeless service providers to take a collaborative approach to addressing homelessness. Furthermore, the City Manager's Office supports the efforts of the Social Services Commission in addressing issues impacting individuals experiencing homelessness.

Lastly, the City continues to balance the needs of all segments of the community. Through the work of the Torrance Police Department's Community Lead Officers, and in conjunction with the City's Outreach Coordinator, the City regularly responds to resident and business concerns regarding homelessness by offering services, reducing encampments, and strengthening City infrastructure.

Economic Development

Businesses continue to be challenged by various factors including impacts from the pandemic, inflation, continuing supply chain issues, energy costs, staffing concerns and other worries. However, Torrance remains a place for businesses to grow and thrive – new businesses have started up or relocated into Torrance, breweries have changed hands, and new restaurants have replaced those that have closed, as is evident at Del Amo Fashion Center. According to the General Manager of the Del Amo Fashion Center (DAFC), the DAFC was the most visited mall in the country during the holiday season. Recently opened restaurants include North Italia, MB Grille, and SweetGreen, with more to come. DAFC management is working with the Community Development Department to establish a conditional use permit that helps expedite business openings and quickly fill any vacancies that exist or may arise with the changing retail landscape. In addition, despite the ongoing lag in inventory supply to Auto Dealers, sales numbers remain strong.

In the area of tourism, the number of visitors to Torrance hotels continues to rise and occupancy rates continue to increase. The number of individuals visiting the California Welcome Center at Del Amo Fashion Center to collect information about the local area, as well as to make plans for other travel throughout the state of California, is ever growing.

On the international front, agreements for Friendship City relationships with the cities of Hwaseong, South Korea, Changhua, Taiwan, and Tainan, Taiwan were approved by City Council on February 28, 2023. Information on the Friendship City program and the application has been added to the website to allow members of the community to recommend additional cities for consideration for designation under the program. The focus of the program is international business development and investment into the City of Torrance as well as increasing opportunities to learn more about efficiencies in technology and transportation.

Plans to establish a business improvement district (BID) in the Downtown area have gained momentum with more businesses and property owners in support of the effort. This initiative will help to carry out the elements of the Downtown Revitalization Plan by bringing in another funding stream and more fully engaging the business community directly impacted by attracting more visitors/customers to the area. A steering committee of Downtown businesses has been formed and the target timeframe for BID formation is early 2024.

The Office of Economic Development is exploring the establishment of a “Pitch Torrance” program where Torrance based businesses can pitch ideas for projects that may provide solutions to civic challenges. This will further the concept of allowing Torrance to be a “testbed” to homegrown products and services. There have been some of these types of opportunities explored and some implemented such as with traffic monitoring, flood and weather sensors, alternative fuel technologies, and biomass conversion. Partnering with other organizations such as the Torrance Tech Committee, El Camino’s Small Business Development Center, California State Dominguez Hills Innovation Incubator, the Torrance Area Chamber of Commerce, and others, there is an increased opportunity to further this effort.

At Council’s suggestion, the Office of Economic Development is formulating plans for a Business Recruiter program that will aid in an “outside sales” capacity to assist Economic Development in business attraction by proactively identifying and recruiting specific businesses that may be a beneficial addition to the Torrance community.

Additionally, to support business attraction, the Office of Economic Development has added information to the Economic Development subsite on the “Locate” button that features a Site Selection Assistance form where interested parties can complete and submit basic information to indicate their requirements for space. Alternatively, an interactive “Hot Properties” map where businesses interested in coming to Torrance can do some preliminary site searches and reach out to the Office of Economic Development for assistance is also available online. Economic Development will be partnering with the real estate broker community and property owners to populate this map.

City staff are working with the South Bay Cities Council of Governments (COG) and their vendors to further efforts to expand broadband service to more of the business community in Torrance. A pilot project allowing for wireless internet service from the General Aviation Center is in the process of being established. An additional South Bay Fiber Network node has also been established at the Transit Center with funding already secured by the COG.

Lastly, staff are stepping up marketing efforts with the “Why Torrance” messaging focused on target marketing to businesses and potential investors to choose Torrance. Through this effort, a storyboard has been created to better engage viewers with interactive information and effectively tell the Torrance story with embedded video testimonials, updated demographics, as well as appealing and informational infographics. This platform streamlines information so that it is easier to find on the Economic Development subsite and is creating a common look and feel that will be visible on the website, mobile application, signage, and other marketing methods being used across the City. A QR code for this site is being included in City marketing material.

Major Developments

Development in the City continues to flourish, with the Permit Center serving roughly 25,000 customers a year, and a job valuation of \$192 million. Below are examples of projects underway and potential projects in the pipeline:

Projects Under Construction

Acoya of Torrance, LLC - Del Amo Circle between Carson Street and Hawthorne Boulevard:

Construction is officially underway on a new 4-story, 159-unit senior living community near the Del Amo Fashion Center. Of the 159 units, 137 will be offered as market rate independent living units and 22 as assisted living units. The property will also feature a semi-underground parking garage with 161 spots. The project is slated to be complete within FY23-24.

Marbella Townhomes by Lennar - 2706 & 2708 182nd Street (behind the Christ the King Lutheran Church): Marbella is a new community of townhomes coming soon to Torrance. This development, which is currently under construction, will include 45 for-sale Townhome style units. The project is slated to be completed within FY23-24.

Gable House Redevelopment Project - 22501 Hawthorne Boulevard:

This development is a mixed-use project that will be comprised of 218 apartment units (of which 17 will be reserved for very low-income) and 12,000 square feet of commercial floor area. The project is representative of current housing development trends in urbanized areas and features a mixture of commercial uses located at ground level, and residential uses located above in four- and five-story apartment buildings, all wrapped around a seven-level parking structure. The project would replace the Gable House bowling center and existing commercial center with new structures, onsite circulation and parking, and open space amenities. Construction on this project is expected to begin in FY23-24.

Del Amo Circle Residential Project: northeast corner of Carson Street and Del Amo Circle Drive: Approved by the City Council on March 14, 2023, this development consists of a five-story, 234,928 square foot apartment complex with 200 dwelling units and includes a 6.5-level, 169,946 square foot parking structure with a rooftop amenity level featuring a pool, spa, clubhouse, and fitness center. Construction on this project is expected to begin within FY 2023-24.

Kearny Development (Torrance Industrial Exchange) - 19301 & 19501 Prairie Avenue: Building Permits for the Torrance Industrial Exchange were issued in January 2022. The project consists of two industrial/warehouse buildings totaling 427,604 square feet on a 20.7-acre site that was approved by the Planning Commission on July 1, 2020. The two buildings will be located on separate parcels, with the larger building providing 320,771 square feet, with 32 dock doors, and the smaller building providing 106,833 square feet, with 18 dock doors. The height of the buildings measure a maximum of 48 ft. While no tenant has been identified for the spaces, the buildings were designed predominantly as warehouse/storage, with minimal office areas. City Staff worked with the applicant in providing an alternative scheme to facilitate flexibility, which included plans to provide additional parking inside a portion of the buildings and a portion of the dock bay areas, should industrial/manufacturing/research and development uses occupy the site. The completion of the project is anticipated within FY23-24.

Sares Regis Group (Torrance Gateway (Former Toyota Headquarters)) - SWC of 190th Street & Western Avenue: In 2022, the Planning Commission approved redevelopment of the former Toyota Headquarters with the new Torrance Gateway project. Phases 1 – 3 are being built on the southside of 190th Street and include a total of 12 tilt-up light industrial buildings, while Phase 4 will be built on the northside of 190th street and include up to 2 tilt-up light industrial buildings. The 1st phase has been completed and consists of 3 buildings at 410,000 square feet, the 2nd phase is nearing completion with 4 buildings at 650,000 square feet, the 3rd phase has just begun construction and will include 5 buildings at 730,000 square feet, while the final phase just began the planning and entitlement process for redevelopment of the site. The expected use of the buildings include office, manufacturing, and warehouse. The project is representative of recent trends in industrial development, which is described as replacing underutilized professional office space with new concrete tilt-up light industrial buildings that have large footprints, loading docks, and truck courts.

Future Potential Projects

Rexford Industrial - 21515 South Western Avenue:

This development includes the demolition of an existing market building and the construction of an 84,100-square foot industrial building consisting of 72,100 square feet of warehouse space and 12,000 square feet of office space.

Del Amo Town Center Development – Former Sears Site:

The project involves the renovation of the former Sears site located at the Del Amo Fashion Center. As currently submitted, this project will include the complete demolition of the Sears buildings (main building, auto, and garden center) and corner building at Hawthorne Boulevard and Sepulveda Boulevard to allow for the construction of a new mixed-use project consisting of 687 multi-family residential units and 122,713 square feet of new commercial uses. The project consists of seven new buildings ranging in height from one to six stories and 18 feet to 73 feet. The existing five-story office building at the corner Sepulveda Boulevard and Del Amo Circle East would remain.

Torrance Transit

Phase 1 of the Mary K. Giordano Regional Transit Center (MKG RTC) is nearing completion and is scheduled to open in June of 2023. The City of Torrance secured \$25.7 million dollars of Measure R funding and \$2.9 million in Prop 1B funding for the design and construction of this facility. The MKG RTC will have significant regional impact by reducing traffic congestion, improving air quality and giving residents greater transportation options and connections. This facility will include: eight level boarding platforms for transit vehicles, state-of-the-art passenger information kiosks and maps, fare vending machines, a security office, a transit store, public restrooms, a training facility, and many other amenities.

Phase 2 of the MKG RTC calls for the construction of a multi-level parking structure. Estimated at \$35 million, the parking structure will provide much needed spaces for commuters and travelers who are seeking an efficient and safe location in which to park their vehicle while they travel. For short-term users, this could be trips to the Del Amo Fashion Center, around Torrance or the South Bay, to Inglewood, or to local schools such as El Camino College or California State University Dominguez Hills. Transit is also looking to partner with Greyhound Bus, Flix Bus and the Los Angeles Philharmonic in order to bring long distance charter service to the MKG RTC.

Transit staff is presently performing public outreach and informing Torrance residents about the importance of the Metro C-Line Extension to Torrance. Metro has released a Draft Environmental Impact Report (DEIR), and the Metro Board will be voting in June on three possible alternatives for extending the C-Line to Torrance, with the terminus being the MKG RTC. Torrance Transit supports the existing Right-of-Way Alternative.

Staff are also working to launch the extension of Line 10 to create the “Torrance to Florence” route, which will run from South Torrance to the Sports and Entertainment District in Inglewood. This new route will provide fans and residents of the South Bay a convenient and cost-effective way to attend sporting events, concerts and other special events hosted at the new stadiums.

Finally, Transit staff is preparing to award an agreement of the construction of All-Electric Buses that will join the fleet in revenue service in 2024. Staff is also researching the development of a Micro-Transit Pilot Project that would enhance the Torrance Community Transit Program (TCTP) in the near future.

Torrance Police Department and Department of Justice and Collaborative Reform

The City of Torrance and its Police Department (TPD) are committed to accountability and creating a safer, more inclusive society where everyone feels protected and valued. To support these efforts and collaborative reform with the Department of Justice, TPD has developed a three-year Strategic Plan that advances the principles of trust, transparency, and bias-free policing. The Police Department and the City remain committed to being transparent and reliable in delivering quality public safety services to all community members.

Staying Connected

The City continues its efforts to stay engaged and connected through a number of platforms to increase transparency and engagement:

myTorranceCA mobile app: This app is free and easy to download on any smartphone or digital device. With one touch, residents and community members can make a payment, create a service request, check out City services, and much more.

www.TorranceCA.Gov/Rumors and **www.TrendingInTorrance.com** websites: The City continues to address rumors and concerns shared within the community through these sites to address popular topics such as coyotes, homeless services, sidewalk vending, and much more.

www.TorranceCA.Gov/Why: Discover why so many businesses choose to partner with the City of Torrance.

The **www.TorranceCA.Gov/YearInReview** is available which highlights the many City services and accomplishments from the prior calendar year.

You can also find much more great information about the City on our Digital Signs and at **www.TorranceCA.Gov**, Instagram @CityofTorranceCA, Facebook.com/TorranceCA, and Twitter @TorranceCA.

If you have not registered to receive **TorranceAlerts**, do it today so you can receive early warning notifications concerning emergency events such as an earthquake, fire, public health, traffic, or

similar situation. In addition, get informed about traffic and road on our Traffic Impact Map **www.TorranceCA.Gov/TrafficImpacts**.

Tune into CitiCABLE, the City’s award-winning television channel available on your cable service and on-demand at www.YouTube.com/CitiCABLE. Watch our daily live news broadcast “TORRANCE TODAY” and our weekly news magazine edition, “Weekends in Torrance” every day. Our robust line up of shows feature a wide range of programming designed for our Torrance community. Anyone can subscribe to the City’s eNewsletter, a weekly publication to highlight activities and events happening each week in Torrance. A new eNewsletter is published each Thursday at 4 p.m. To subscribe, email: eNewsletter@TorranceCA.Gov

Lastly, we understand the value of hearing directly from us, and being able to openly engage in conversation. That is why in April 2023 we offered two virtual community engagement sessions titled “Torrance in Action: Highlights and Updates” for the public to attend. Presentations were given by Torrance Mayor George Chen, City Manager, and department leaders from the Finance, Police and Fire departments, followed by questions from the community. To view, visit: **www.torranceca.gov/government/city-manager**.

Conclusion

Going forward, heavy emphasis will continue to be placed on transparency, accountability, and budget stewardship as the City makes large strides towards financial stability. The progress we have made in rebuilding our reserves and the positive trajectory of our revenue and expense growth trends have been recognized by credit rating agency S&P Global, who issued the City an improved credit rating of AA Stable in November 2022, up from the AA- (negative outlook) rating that was issued to the City in 2021. Additionally, the City was able to improve its ranking on the State Auditors High Risk Dashboard from number four to number six, more importantly falling from the category of “High Risk” to “Moderate Risk”. The City is also embarking on another round of negotiations with the Police and Fire Safety Memorandum of Understanding (MOU) expiring in December 2023 and the currently settled Miscellaneous groups expiring in June 2024. It will be of continued focus to strike the balance of negotiating competitive multi-year MOUs while improving the City’s ranking on the State Auditors High Risk Dashboard.

Our long-term financial goals are to maintain our AA credit rating, healthy reserve balances and improve our status on the State Auditor’s High-Risk Dashboard. The below key information is made available, and presented to, City Council and the community during several City Council meetings and public workshops.

- Key Performance Indicators – details included in the **Budget Overview** section of this book

-
- Annual Comprehensive Financial Report (ACFR) and external Auditors' annual presentation
 - Access to OpenGov, an online dashboard linked to the City's financial system, that allows the public to filter and navigate the City's finances and transform raw data into intuitive charts and graphs
 - Links to annual pension workshops and updates and quarterly budget review presentations

The Proposed Fiscal Year 2023-25 Operating Budget and Capital Improvement Plan is balanced, and it is forecasted to remain balanced for the next 10 years. As City Manager, alongside the dedicated staff of all departments, it is my responsibility and privilege to serve this wonderful city. My appreciation and thanks goes out to our residents, businesses, and stakeholders, for continuing to be engaged and supportive. A heartfelt thanks to Mayor and City Council for your continued leadership. Thank you to our Departments and dedicated employees for their dedication, and their efforts to maintain a balanced budget.

Sincerely,



Aram Chaparyan
City Manager



EXECUTIVE SUMMARY

Executive Summary

Economic Outlook

The City's Proposed Fiscal Year 2023-25 Operating Budget and Capital Improvement Plan was developed with national and local economic trend considerations in mind, such as the federal funds rate, the Consumer Price Index, Real Gross Domestic Product, and labor market trends. To curb inflationary pressures stemming from the COVID-19 pandemic, the Federal Open Market Committee began increasing the federal funds rate in March 2022. Since then, the federal funds rate has increased by an unprecedented 4.50%. Such actions by the Federal Open Market Committee have had positive effects on national inflation. The Consumer Price Index reached 3.7% as of the quarter ended March 2023, down from a peak of 8.6% in the quarter ended June 2022. However, the steep increases in borrowing rates have also exposed underlying weaknesses in the economy. With vast layoffs and stunted economic growth expected to continue over the coming months, the Federal Reserve must decide if it will continue aggressive tightening on inflation or focus on efforts to moderate interest rates.

The prevalent volatility in consumer confidence and the impact of the Federal Reserve's looming monetary policy decisions make for a highly uncertain short-run picture. According to the March 2023 UCLA Anderson Forecast, annualized projections currently anticipate a growth rate of 1.3% in 2023, 1.7% in 2024, and 2.2% in 2025. Moreover, despite the recent waves of job cuts and layoffs, the labor market remains strong. As of March 2023, the U.S. unemployment rate was 3.5%, California was 4.3%, Los Angeles County was 5.3%, and Torrance was 4.1%. Although the 2022 calendar year ended with significant improvements in unemployment figures compared to the year prior, unemployment rates have started to see an upward tick. This indicator will be of continued focus since economic activity is heavily driven by consumer demand and increases in unemployment rates will contribute to the overall headwinds facing the broader economy.

Citywide Budget

To develop the Proposed Fiscal Year 2023-25 Operating Budget, staff conducted a zero-based budgeting exercise designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification, including Materials, Supplies & Maintenance, Professional/Contract Services & Utilities, and Training, Travel & Membership Dues. This highly collaborative endeavor aimed to reestablish the base budgets for all funds and reallocate the City's resources accordingly. In the General Fund–Operating Fund, this approach yielded approximately \$3.9 million in recurring expenditure budget savings. Staff will continue to evaluate existing programming to further identify other operational efficiencies to ensure resources are utilized as efficiently as possible. These concepts will be presented to the Torrance City Council with recommendations for implementation once they have been fully vetted.

Across all funds citywide, the proposed operating budget for fiscal year 2023-24 is \$504.6 million and \$519.7 million for fiscal year 2024-25. This is an increase of \$13.9 million in fiscal year 2023-24 and an increase of \$15.1 million in fiscal year 2024-25.

Fund Type	FY23-24 Proposed Budget	FY24-25 Proposed Budget	Fund Type	FY23-24 Proposed Budget	FY24-25 Proposed Budget
General Fund	295,981,989	305,494,785	General Fund	1,146.9	1,147.9
Nonmajor Governmental Funds	31,883,427	32,657,674	Nonmajor Governmental Funds	32.2	32.2
Enterprise Funds	138,250,891	141,048,871	Enterprise Funds	303.2	303.2
Internal Service Funds	36,812,139	38,888,615	Internal Service Funds	42.1	42.1
Fiduciary Funds	1,700,703	1,626,953	Fiduciary Funds	1.0	1.0
Total Expenditures	\$ 504,629,149	\$ 519,716,898	Total FTE Count	1,525.3	1,526.3

Additionally, the citywide staffing budget is proposed to decrease by 4.7 full-time equivalents in fiscal year 2023-24 and increase by 1.0 full-time equivalents in fiscal year 2024-25. While most of the changes being incorporated into next year's budget resulted from previously approved program modifications in fiscal year 2022-23, some are newly proposed recommendations. Further details outlining newly proposed staffing changes are provided in the **Budget Changes** and **Departments** sections of this document.

General Fund Budget

The General Fund proposed operating budget for fiscal year 2023-24 is \$296.0 million and \$305.5 million for fiscal year 2024-25. The City's General Fund is comprised of four sub-funds: Operating, Measure SST, Restricted/Assigned, and Unassigned.

General Fund–Operating Fund Budget

As the City's primary governmental fund, the General Fund–Operating Fund accounts for activities supported by taxes and intergovernmental revenues, such as general government, public safety (police and fire), public works, community development, and culture and recreation. The three major revenue sources in the General Fund–Operating Fund include Taxes, Charges for Services, and Operating Transfers In. The Taxes classification is primarily comprised of Sales and Use Tax, Property Tax, and Utility Users' Tax; the Charges for Services classification includes use and service fees charged directly to users by City departments; and the Operating Transfers classification includes transfers from other funds to help support the City's day-to-day operations.

The proposed General Fund–Operating Fund expenditure budget for fiscal year 2023-24 is \$271.2 million and \$279.5 million for fiscal year 2024-25. This is an increase of \$6.8 million in fiscal year 2023-24 and an increase of \$8.3 million in fiscal year 2024-25.

Revenue Type	FY23-24 Proposed Budget	FY24-25 Proposed Budget	% Change from FY22-23 Budget Forecast	% Change from FY22-23 Amended Budget
Sales and Use Tax	64,400,972	66,139,798	-0.4%	0.7%
Property Tax	65,792,514	67,913,025	4.9%	5.2%
Utility Users' Tax	44,465,104	46,243,709	5.7%	7.9%
Charges for Services	23,560,796	24,249,048	8.6%	7.1%
Operating Transfers In	26,257,857	27,169,523	-29.3%	-31.4%
Total	\$ 224,477,243	\$ 231,715,103	1.5%	-1.5%

The Taxes, Charges for Services, and Operating Transfers In classifications account for 83.0% of the fiscal year 2023-24 General Fund–Operating Fund revenue budget, or \$224.5 million. Currently, we continue to see steady growth expected in the top three tax classifications except for Sales and Use Tax. The Sales & Use Tax budget projects a 0.40% decline in this category going into FY23-24 due to expected weakness in the **Autos & Transportation, Fuel & Service Stations, and Building & Construction** categories. The Charges for Services classification is largely increasing due to the City’s participation in the enhanced Ground Emergency Medical Transport (PP-GEMT) program. The decline in the Operating Transfers In classification is largely attributable to one-time transfers from the Measure SST and Airport Funds during fiscal year 2022-23 which will not recur in future budget cycles. Projected growth rates for these revenue sources are updated throughout the year based on actual results and presented in the First Quarter and Mid-Year Budget Update Reports.

General Fund–Measure SST Fund Budget

The General Fund–Measure SST Fund was established to separately account revenues from the 0.50% transaction and use tax (sales tax) increase approved by Torrance voters in June 2022. This measure, titled Safe, Strong Torrance, included four main funding priorities: **Quality of Life; Fiscal Sustainability; Deferred Maintenance & Community Services/Programs;** and **Emergency Responsiveness**. The Torrance City Council will act as the primary authority for approving the budgeted use of these funds and the newly established Measure SST Oversight Committee will ensure the City remains accountable for proper utilization of these funds.

General Fund - Measure SST	Original Projection	FY 2023-24	FY 2024-25
Revenues	18,000,000	22,942,288	23,561,804
Expenses	18,000,000	22,942,288	23,561,804
Revenues Less Expenditures	\$ -	\$ -	\$ -

Funding Details & Assumptions

Quality of Life	Original Projection	FY 2023-24	FY 2024-25
Restore/Maintain Public Safety	10,000,000	10,655,265	10,950,926
Homelessness Response Efforts	1,000,000	1,000,000	1,000,000
Fiscal Sustainability	Original Projection	FY 2023-24	FY 2024-25
CEPPT Contribution		2,500,000	2,500,000
Reserve Contribution	5,000,000	4,802,423	2,731,922
Self-Insurance Rebuild Offset Contribution	-	1,000,000	1,500,000
Deferred Maintenance & Community Services/Programs	Original Projection	FY 2023-24	FY 2024-25
Capital Contribution	1,000,000	1,984,600	3,874,100
Emergency Responsiveness	Original Projection	FY 2023-24	FY 2024-25
Cyber Security Upgrades	1,000,000	1,000,000	1,004,856

Sales and Use Tax

The Sales and Use Tax classification is projected to increase by 0.7% in fiscal year 2023-24 and increase by 2.7% in fiscal year 2024-25. This classification has experienced extraordinary increases from the waning impacts of the COVID-19 pandemic; however, staff continues to be cautious with forecasting for several reasons. The Federal Reserve's monetary policy to slow inflation continues to adversely affect short-term borrowing and sales tax revenue trends. As a result, current Sales and Use Tax revenues are expected to fall below the fiscal year 2022-23 mid-year projections by 0.4% going into fiscal year 2023-24, returning to a more moderate growth rate of 2.7% in fiscal year 2024-25.

With core inflation above the federal reserve's target level still a factor in the latest sales tax results, receipts from general consumer goods and specialty, discount department, department, and shoe stores grew significantly. The receipts for building materials, services stations and grocery stores also continued to climb. It is anticipated there will be a flattening in sales, which is reflected in the City's budget. Auto leases, home furnishings, convenience stores, heavy industrial/printers, and the state and county pools were challenged in this last quarter offsetting some of the gains. The City of Torrance has a well-diversified mix of sales tax producers with the top 25 generating 43% of sales tax receipts and the top 100 generating 67% of sales tax receipts.

Property Tax, Property Transfer Tax, and VLF Swap & Repayment

The Property Tax classification is projected to increase by 5.2% in fiscal year 2023-24 and increase by 3.2% in fiscal year 2024-25. According to property tax consultants, HdL Coren & Cone, the City's net taxable assessed values grew by 5.4%, increasing from \$34.4 billion to \$36.3 billion in fiscal year 2022-23, and placing Torrance in the top 10 highest value cities in Los Angeles County (8th). When examining the changes in net taxable assessed values, the largest contributors to this change were the residential and commercial categories. The residential market experienced the highest growth, increasing by 6.1% and adding \$1.4 billion in net taxable assessed value. The commercial category experienced the second largest increase of 5.0%, adding \$290 million in net taxable assessed value. Currently, the fiscal year 2023-24 Property Tax budget revenues is anticipated to surpass fiscal year 2022-23 mid-year projections by 4.9%.

Utility Users' Tax

The Utility Users' Tax classification is projected to increase by 7.9% in fiscal year 2023-24 and increase by 4.0% in fiscal year 2024-25. The City's Utility Users' Tax rate for electricity, telecommunications, gas, and cable is set at 6.5% and water is currently set at 6.0%. In July 2022, a series of annual rate increases for the City's wastewater (sewer) discharge fees were approved by Council through the Proposition 218 process. In January 2023, sewer discharge rates were increased by 22% and will continue to receive a 3% fixed annual adjustment through 2027. The same process is currently underway to adjust the City's sanitation rates, and water rate adjustments are also planned in the future. Additionally, cable and telecom receipts continue to decline due to rising trends in streaming services over traditional cable channels, but increases are still anticipated for all other major utilities. The biggest changes are currently expected in electric and gas utility rates and have been incorporated into the budget accordingly. Currently, the fiscal year 2023-24 Utility Users' Tax budget is anticipated to surpass fiscal year 2022-23 mid-year projections by 5.7%.

Charges for Services

The Charges for Services budget is projected to increase by 7.1% in fiscal year 2023-24 and increase by 2.9% in fiscal year 2024-25. The anticipated increase going into fiscal year 2023-24 is largely driven by the City's participation in the enhanced Ground Emergency Medical Transport (PP-GEMT) program. It should also be noted that the budget is not reflective of any fee study adjustments approved at the City Council's public hearing on April 25, 2023, which will be incorporated through budget amendments in the future. Currently, the fiscal year 2023-24 Charges for Services budget is anticipated to surpass fiscal year 2022-23 mid-year projections by 8.6%.

Five-Year Projections – General Fund

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	\$ 73,595,058	\$ 102,313,302	\$ 122,701,054	\$ 133,055,003	\$ 138,738,664
Revenues	324,700,234	325,882,538	330,243,846	339,143,070	346,075,127
Expenses	295,981,990	305,494,785	319,889,897	333,459,409	341,655,386
Net Change Operating Activities	28,718,244	20,387,753	10,353,949	5,683,661	4,419,741
Ending Fund Balance	\$ 102,313,302	\$ 122,701,054	\$ 133,055,003	\$ 138,738,664	\$ 143,158,405
Reserved for Capital Improvement Projects	1,558,107	2,548,820	5,102,243	2,655,810	2,735,484
Nonspendable	\$ 1,094,456	\$ 594,456	\$ 394,456	\$ 406,290	\$ 418,479
Restricted	\$ 26,969,634	\$ 43,649,465	\$ 46,642,128	\$ 52,441,668	\$ 54,981,849
Assigned	\$ 10,162,561	\$ 11,138,561	\$ 13,106,795	\$ 9,066,289	\$ 11,016,005
Unassigned	\$ 64,086,651	\$ 67,318,572	\$ 72,911,624	\$ 76,824,417	\$ 76,742,072
20% Reserve (Unassigned) Threshold	\$ 52,034,559	\$ 54,239,523	\$ 55,895,614	\$ 57,956,452	\$ 60,201,000
Actual Reserves as Percentage of Budget	23.6%	24.1%	25.2%	25.5%	24.4%

As previously mentioned, the City's General Fund is comprised of the Operating, Measure SST, Restricted/Assigned, and Unassigned sub-funds.

The City's Unassigned fund balance is currently projected to end at \$64.1 million in fiscal year 2023-24. This figure is anticipated to reach \$76.7 million by fiscal year 2027-28. To arrive at these results, a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the General Fund:

- Overall **Revenue growth** of approximately 3.3% per year using the following approximate annual assumptions in the out years (years 3-5).
 - Sales Tax: 3.2% to 3.5%
 - Property Tax: 3.4% - 3.7%
 - Utility Users Tax: 4.0%
 - Occupancy Tax: 2.0%
 - Charges for Services: 3.5%
- Overall **Expenditure growth** of **approximately 4.4%** per year using the assumptions below.
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs; Depreciation classifications
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased CEPPT contributions totaling: FY23-24: \$19,818,938; FY24-25: \$14,168,535; FY25-26: \$7,254,400; FY26-27: \$5,564,887 to mitigate known CalPERS rate increases forthcoming

- Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)
- Capital Improvement Plan contributions

Enterprise Fund Budget

The City's enterprise funds include the Airport Fund, Sanitation Fund, Sewer Fund, Transit Fund, and Water Fund. Enterprise funds are used to account for fee-supported businesses operated by the City. Net earnings of these funds provide working capital for maintenance and betterment of the equipment and fixed assets of the business. The proposed enterprise fund expenditure budget for fiscal year 2023-24 is \$138.3 million and \$141.0 million for fiscal year 2024-25. This is an increase of \$1.3 million in fiscal year 2023-24 and an increase of \$2.8 million in fiscal year 2024-25

Enterprise Funds	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Airport Fund	24,007,035	14,456,513	18,259,663	(9,550,522)	-39.8%	3,803,150	26.3%
Sanitation Fund	15,936,198	18,880,560	19,181,393	2,944,362	18.5%	300,833	1.6%
Sewer Fund	6,175,601	7,817,954	7,587,867	1,642,353	26.6%	(230,087)	-2.9%
Transit Fund	38,677,289	38,336,887	40,146,121	(340,402)	-0.9%	1,809,234	4.7%
Water Fund	52,114,173	58,758,977	55,873,827	6,644,804	12.8%	(2,885,150)	-4.9%
Total Expenditures	136,910,296	138,250,891	141,048,871	\$ 1,340,595	1.0%	\$ 2,797,980	2.0%

The overall enterprise fund expenditure budget is expected to fluctuate due to the following:

- The **Airport Fund** is projected to **decrease by \$9.6 million**. This is due to reduced contributions to the General Fund, reduced contributions to the Airport's Capital Improvement Program, and one-time funding received from lease revenues during FY22-23 which will not recur in subsequent budget cycles.
- The **Sanitation Fund** is expected to **increase by \$2.9 million**. This is the result of increased contributions to the Self-Insurance Fund and increased transfers to the General Fund to partially support the cost of the City's residential street sweeping program.
- The **Sewer Fund** is anticipated to **increase by \$1.6 million** after budgeting for depreciation of the City's capital assets as well as increased contributions to Sewer's Capital Improvement Program.
- The **Water Fund** is anticipated to **increase by \$6.6 million** after budgeting for depreciation of the City's capital assets as well as increased contributions to Water's Capital Improvement Program.

Capital Improvement Plan

The Proposed Fiscal Year 2023-24 Capital Improvement Plan budget is \$43.0 million, totaling \$247.4 million over a five-year period. Further details outlining each project are provided in the **Capital Improvement Plan** section of this document.

Department	FY 2023-24 Proposed CIP	FY 2024-25 Proposed CIP	FY 2025-26 Proposed CIP	FY 2026-27 Proposed CIP	FY 2027-28 Proposed CIP
CIT	1,015,000	1,245,000	2,360,000	7,220,000	50,000
City Clerk	15,000	15,000	15,000	15,000	15,000
City Manager	-	110,000	4,660,000	-	-
Community Development	430,000	1,000,000	1,557,000	100,000	100,000
Community Services	1,493,833	1,585,833	2,236,167	3,055,333	1,950,334
Fire	333,107	-	-	-	-
General Services	1,075,000	7,451,320	71,002,243	3,430,810	665,000
Public Works	38,602,222	21,515,933	21,847,433	21,587,433	29,692,042
Total Expenditures	\$ 42,964,162	\$ 32,923,086	\$ 103,677,843	\$ 35,408,576	\$ 32,472,376

Key Performance Indicators

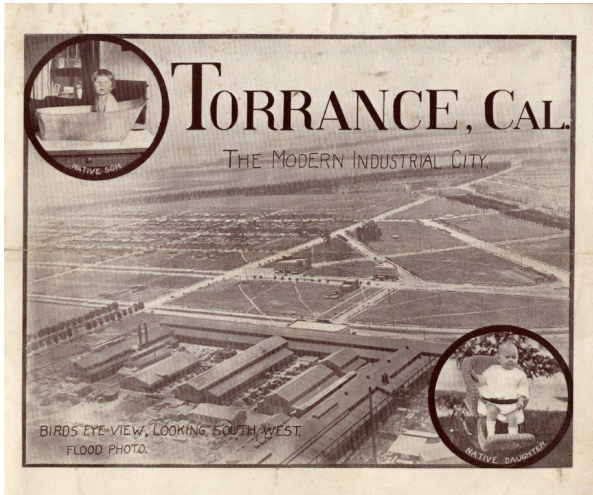
The City of Torrance monitors key performance indicators to objectively benchmark the financial performance of the City and align its budget with Strategic Plan priorities, including Reliable Revenue Base & Effective Asset Management, and Responsive, Accountable & Cost-Effective Government. While many of the key performance indicators included in this budget document also align with metrics utilized by the California State Auditor and the Government Finance Officers Association, others are used to help round out the City's finances overall. Using the City's audited Annual Comprehensive Financial Report as the primary source, the City's key performance indicators include: (1) Revenue Trends; (2) Net True Operating Surplus/(Deficit); (3) General Fund Reserves; (4) Liquidity; (5) Pension Obligations; (6) Debt Burden; (7) Pension Funded Status; (8) OPEB Funded Status; (9) Self- Insurance Funded Status; and (10) Capital Asset Condition. Further details outlining each of these key performance indicators are provided in the **Budget Overview** section of this document.

An aerial photograph of a coastal city, likely San Diego, showing a wide beach, the ocean, and a dense urban area with many buildings. The image is overlaid with a semi-transparent blue filter. The text "BUDGET OVERVIEW" is centered in the middle of the image in a bold, white, sans-serif font.

BUDGET OVERVIEW

Budget Overview

Torrance at a Glance



The City of Torrance was first developed in the early 1900s as a planned garden-industrial community. The plan by Frederick Law Olmstead Jr., with Irving Gill as Chief Architect, provided a balance for industrial, commercial, and residential uses. The city incorporated in May 1921, one year after the death of its founder and namesake, Jared Sydney Torrance, with a land area of 3.8 square miles and a population of 1,800. Rapid growth occurred during the 1950s and 1960s and the majority of the housing stock was built during those two decades. The city is now largely

built-out and has had a relatively stable population for the last two decades.

The City of Torrance ("City") became a charter city in 1947 and operates under a city council-city manager form of government. As a full-service city, Torrance provides a wide range of services to its residents including police and fire protection, sanitation and water services, airport and bus transit services, construction and maintenance of streets and infrastructure, and recreational activities. The City is located in southwest Los Angeles County in the heart of the South Bay, with 1.5 miles of beautiful coastline. The City spans 21 square miles and is home to a population of 144,433.

The City is governed by an elected mayor and a six-member council. While the Mayor is elected at large, councilmembers must reside in one of the established districts. On June 19, 2018 Council adopted an ordinance establishing by-district elections and approved an election calendar for these newly created districts. Districts 2, 4, and 6 were phased in during the 2020 election, and Districts 1, 3, and 5 were phased during the 2022 election.

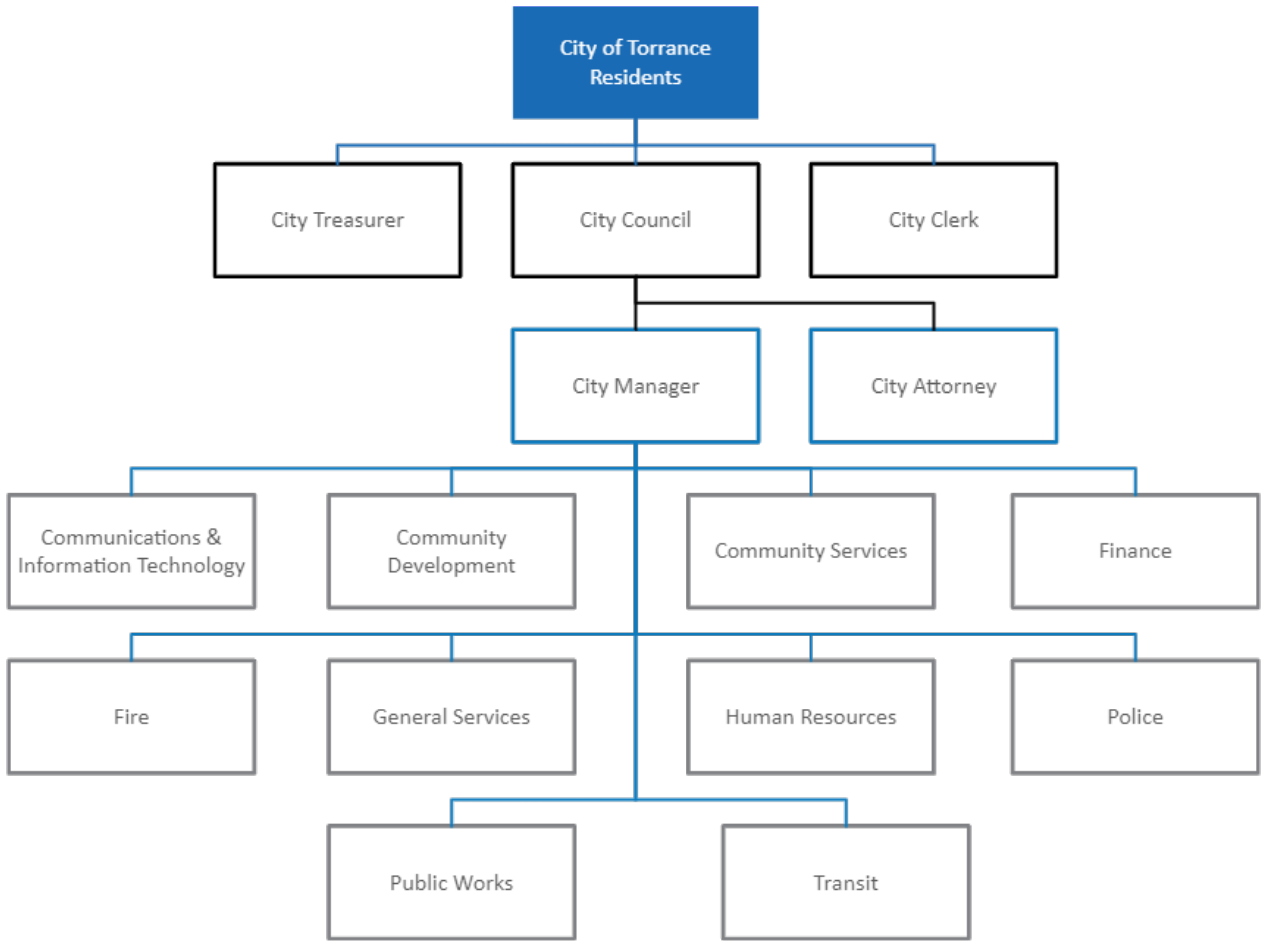


In addition to the Mayor and Council, the City Clerk and the City Treasurer are also elected positions. The City Clerk is Clerk of the Council and keeper of the City Seal and is responsible for the safekeeping of the official records. The Clerk accepts claims, administers oaths, conducts municipal elections, maintains the Municipal Code, attests all City documents, and prepares and publicly posts agendas for City Council meetings. The City Treasurer is responsible for the investment of idle

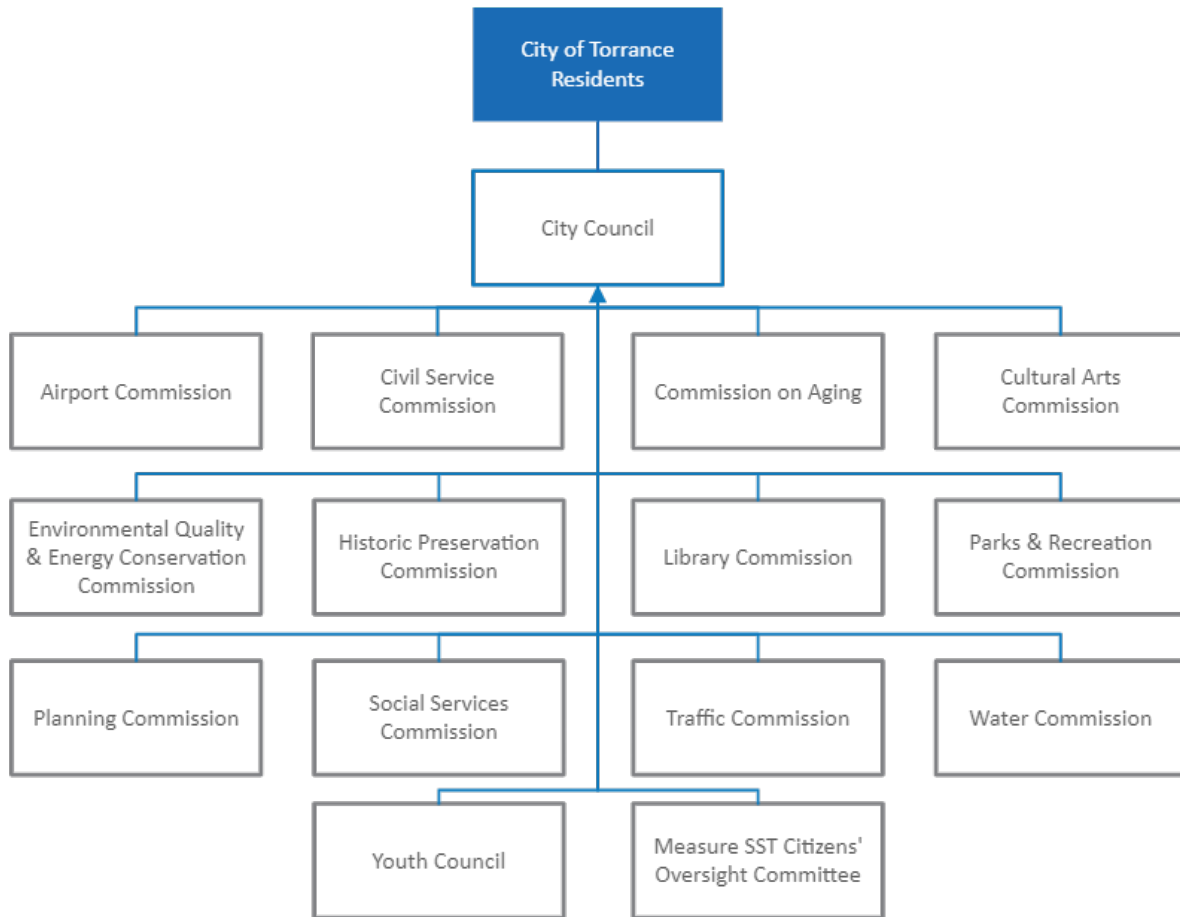
funds, administers the City’s deferred compensation plan, and the Public Agency Retirement System (“PARS”) supplemental employee pension plan for the City.

Citywide Organizational Structure

The following charts illustrate the citywide organizational structure including elected positions, City Departments and City Commissions and Advisory Boards.



City Commissions and Advisory Boards



Budget Development Process

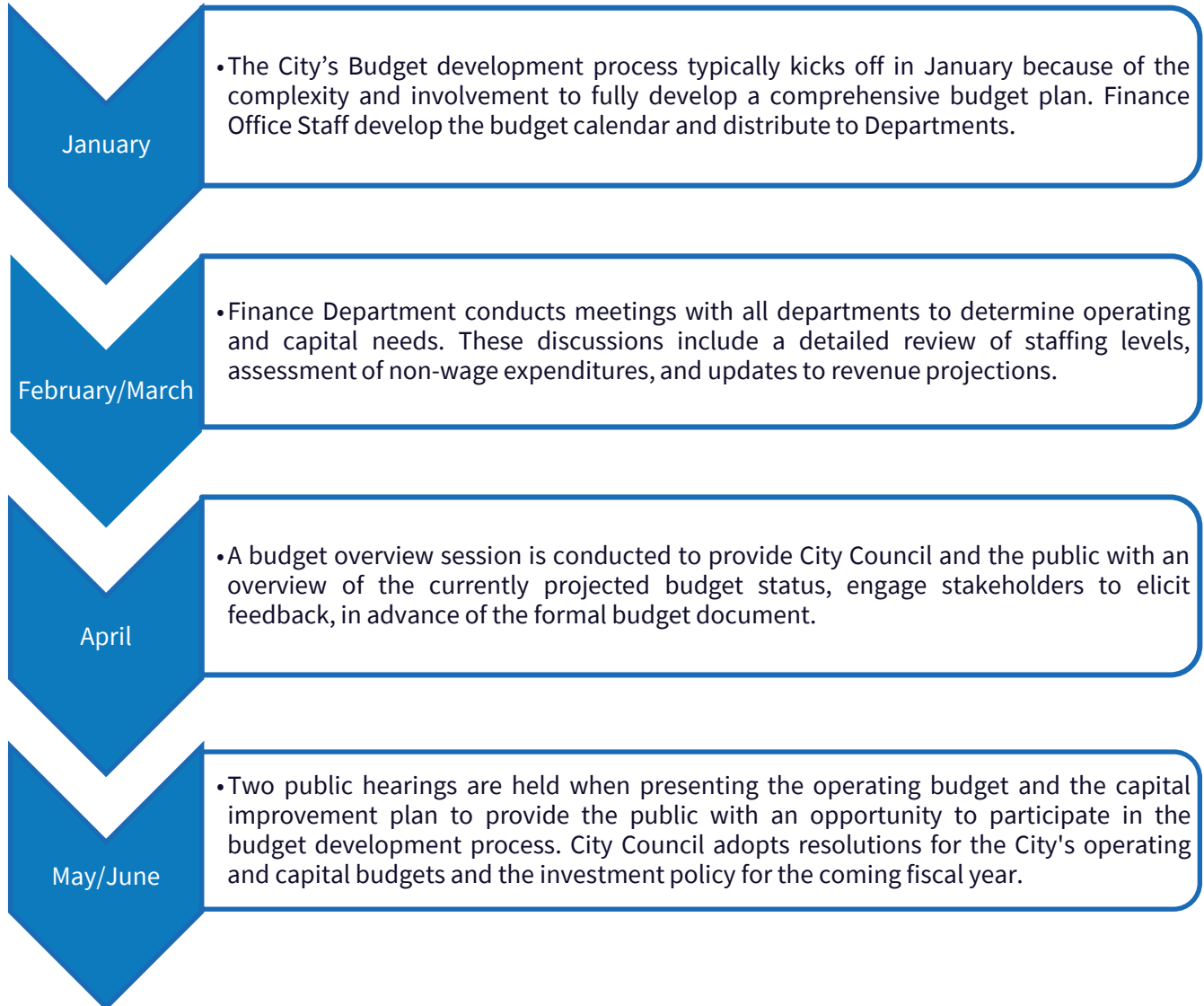
The City follows a biennial budget development process which allows for effective short-term program management and long-range planning. The City's use of the biennial budget process also complies with City Charter (Article 9 and Article 14) which requires a fiscal year period beginning July 1 and ending June 30; a proposed budget preparation by the City Manager; a proposed budget submission by City Manager to City Council on or before June 1, and budget adoption by City Council (at least 4 affirmative votes) by June 30 after completing two public hearings to give an opportunity for community input. The City has continued its use of OpenGov as a means of maintaining transparency during the budget development process. OpenGov is an online dashboard linked to the City's financial system which allows the public to review the City's annual budget information and actual financial performance.

The City budget is comprised of a biennial operating budget and five-year capital improvement plan. The biennial operating budget funds the core day-to-day operations and the City's five-year capital improvement plan funds major facility, equipment, and infrastructure investments. The

City's biennial operating budget and five-year capital improvement plan are developed and proposed every two years. However, the City Council only approves the annual appropriations for the upcoming fiscal year. This highly collaborative and public process engages the City Council, City staff, and the community at large. The City Manager is tasked with developing a budget that advances the City in concert with the outlined policy objectives of the City Council as well as the goals of the Strategic Plan. The City Council is responsible for reviewing and approving the budget along with adopting the appropriations resolution to establish expenditure limits. The Finance Department Budget Division is responsible for coordinating, developing, and monitoring the annual budget process.

The City must maintain a balanced budget each year as required by the State. The City defines a balanced budget as a budget in which all sources meet or exceed the proposed appropriations resolution. Each year, a planned use of fund balance (source) may be identified as a balancing measure though is not a preferred long-term solution and should not be utilized for recurring expenditures. The City's goal is to produce a structurally balanced budget where recurring revenues meet or exceed recurring expenditure levels. In addition to the annual budget process, staff develop and prepare First Quarter and Mid-Year Budget Review Reports to provide budget updates throughout the year. These reports will analyze budget status, provide an opportunity to adjust revenue or expenditure budgets as well as the approval of any program modifications. Moreover, staff also incorporate multi-year projections to ensure the long-term strategy is balanced and achievable.

Major Steps in the Budget Development Process



Classification of Funds

Governmental Funds are used to account for activities supported by taxes and intergovernmental revenues. Governmental activities include all the City's basic services, such as general government, public safety (police and fire), public works, community development, and culture and recreation. Included in this classification are the General Fund–Operating Fund; General Fund–Measure SST Fund; General Fund – Restricted/Assigned; and General Fund - Unassigned.

Nonmajor Governmental Funds are governmental funds which do not meet the fund asset or fund revenue threshold to be considered a major governmental fund for reporting in the Annual Comprehensive Financial Report (ACFR). The City presents the budgets on the fund level for this

classification for review by Council and the public. Included in this classification are the Air Quality Management District, Debt Service, Meadow Park Parking Lot District, Low Mod Fund, Section 8 Housing, Street Lighting and Vanpool Funds.

Enterprise Funds are used to account for fee-supported businesses operated by the City. Net earnings of these funds provide working capital for maintenance and betterment of the equipment and fixed assets of the business. Included in this classification are the Airport, Sanitation, Sewer, Transit and Water Funds.

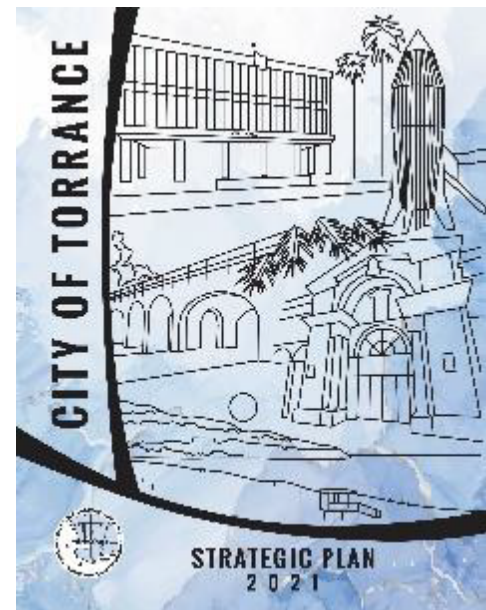
Internal Service Funds are used to account for financing of goods and services provided by one city department to other departments of the city and to other governmental units on a cost-reimbursement basis. Included in this classification are the Self-Insurance and Fleet Services Funds.

Fiduciary Funds consist of private-purpose trust funds and agency funds. The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. Included in this classification are the Area G, Interoperability Network South Bay and Redevelopment Agency Funds. The City Council is not responsible for appropriating the Area G and Interoperability Network South Bay operating budgets as these have separate Boards responsible for budget appropriation, therefore they are not shown in this budget document.

Torrance Strategic Plan

The City of Torrance continues to invest in key areas that connect services provided to the needs of the community served. The City's first Strategic Plan was adopted in 1996 to create a common vision and a process for anticipating the future based on input from throughout the community. The City Council aimed to develop clear direction for the City's strategic priorities based upon the realities we had experienced and could anticipate, as well as the hopes, aspiration and best judgement of the residents, businesses, and employees of the City.

For each of the strategic priorities, a set of goals and sub-goals were developed to direct future actions to achieve the vision of the Plan. The goals are the heart of the Strategic Plan because they describe the end result towards which all efforts are directed. The sub-goals, though not an exhaustive list, further define the direction provided by the Goals and embody the consensus



of the Strategic Plan Committee. Together, they provide the basis for future decisions about the nature, scope, and significance of actions which are necessary to carry out the Strategic Plan.

As a result of the Committee's work, the 2021 Strategic Plan ([full document and process available here](#)) was published with the following strategic priorities:

- **Appearance, Character, and Quality of the Community**
 - Goal 1 – Achieve and maintain a distinctive appearance that reflects the character and high standards of the entire community and its unique neighborhoods
 - Goal 2: Achieve a community design that exemplifies balanced land usage in a manner that recognizes and optimizes the changing nature of retail, industry, employment, an age diverse population and other factors that impact land uses
 - Goal 3: Preserve and celebrate the heritage of historic sites throughout the City
- **Communication and Civic Involvement**
 - Goal 1: Utilize a full range of information resources to share local issues with the community
 - Goal 2: Engage citizens in all aspects of civic decision-making
 - Goal 3: Strengthen the relationship between the City, residents, and community-based organizations with emphasis on measurable outreach to under-served populations
- **Economic Development**
 - Goal 1: Enhance regional, national and international market development
 - Goal 2: Attract and retain businesses
 - Goal 3: Provide a supportive environment for entrepreneurial endeavors
 - Goal 4: Maintain a residential and commercial/industrial balance that supports the economic needs of the community
 - Goal 5: Promote economic health through education and training
 - Goal 6: Promote economic disaster preparedness and recovery
- **Education, Diversity and Enrichment**
 - Goal 1: Strengthen the commitment for collaboration between the City and Torrance Unified School District (TUSD)
 - Goal 2: Expand the educational opportunities for development of the individual potential of youth, adults, and seniors of all abilities
 - Goal 3: Encourage and embrace benefits of a diverse and inclusive community
 - Goal 4: Establish the City as a center of culture
 - Goal 5: Strive to be a leader in the creation of current and relevant recreational opportunities that meet the needs of all citizens
 - Goal 6: Strengthen and develop the Youth Development Programs

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- Goal 7: Promote public services through volunteer opportunities
 - **Housing**
 - Goal 1: Promote a diversity of housing types and affordability levels to meet the needs of a wide range of Torrance citizens
 - Goal 2: Take a holistic approach to address homelessness in the City acknowledging and understanding that homelessness is a complex issue with multiple causes and that there is no one-size-fits-all solution
 - Goal 3: Preserve and protect the integrity of Torrance’s existing single-family neighborhoods while accommodating future housing needs
 - Goal 4: Ensure the Housing Element and federal, state, and local legislation reflect the values of Torrance to the greatest extent possible
 - **Infrastructure**
 - Goal 1: Communicate and coordinate with end-users and stakeholders when prioritizing and designing infrastructure projects
 - Goal 2: Develop, maintain, and protect an efficiently functioning infrastructure
 - Goal 3: Establish Torrance as a premier 21st century City through the dynamic and secure usage of digital technologies
 - Goal 4: Establish an infrastructure road map that encourages an ecosystem for technology development and implementation
 - **Mobility**
 - Goal 1: Maximize the safe, convenient, and efficient movement of people, goods, and traffic
 - Goal 2: Balance land use practices for mobility management
 - Goal 3: Provide a full range of mobility options and infrastructure
 - **Reliable Revenue Base and Effective Asset Management**
 - Goal 1: Employ a realistic, transparent, and conservative fiscal investment strategy
 - Goal 2: Expand the City’s revenue base
 - Goal 3: Ensure effective land and property management programs for City-owned properties and buildings
 - Goal 4: Maintain adequate funding and planning for ongoing maintenance and replacement of City’s physical assets
 - Goal 5: Monitor and review all fiscal matters
 - Goal 6: Pursue vigorous interaction with County, State, Federal and other governmental agencies regarding revenue decisions and fiscal impacts
 - **Responsive, Accountable and Cost Effective Government**
 - Goal 1: Emphasize city governance accountability and responsiveness



















































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- Goal 2: Delivery high quality services in a timely manner
 - Goal 3: Provide outstanding communication with the community
 - Goal 4: Provide basic civic literacy resources for ease of process navigation
 - **Safe, Secure and Equitable Community**
 - Goal 1: Promote a safe community environment
 - Goal 2: Protect persons and property from criminal activity
 - Goal 3: Promote a safe and secure community for youth
 - Goal 4: Provide up-to-date information and educational opportunities that encourage safety and crime prevention
 - Goal 5: Promote and establish a community that is prepared for natural or human made disasters, pandemics, or communicable diseases, cyber security incidents or other emergencies that affect the community
 - Goal 6: Provide a safe and supportive environment for the economic vitality of the business community
 - Goal 7: Mitigate public health and safety risks from the use of Hydrofluoric/Modified Hydrofluoric Acid (HF/MHF) in the alkylation process at Torrance Refinery
 - **Stewardship of the Environment**
 - Goal 1: Establish Torrance as a leader in environmental responsibility and sustainability
 - Goal 2: Actively inform, educate, and motivate the community regarding the value and benefit of environmental stewardship
 - Goal 3: Aggressively plan and act to enable all city stakeholders to mitigate and adapt to the climate change and ecological crisis
 - Goal 4: Create and promote sustainable/green practices for use in daily life
 - Goal 5: Strive for water reliability through the preservation and conservation of water resources
 - Goal 6: Preserve the natural environment and the benefits provided by well-functioning ecosystems
 - Goal 7: Create a positive environment for business and industries to adopt sustainable-green practices

Since the City's departments are largely responsible for carrying out the essential functions aimed towards achieving the goals and sub-goals of each strategic priority, departmental budgets are re-aligned each year as updates are made to the Plan. Further details outlining each department's goals and performance measures are provided in the **Departments** section of this document.

Key Performance Indicators

The City of Torrance monitors key performance indicators to objectively benchmark the financial performance of the City and align its budget with Strategic Plan priorities, including Reliable Revenue Base & Effective Asset Management, and Responsive, Accountable & Cost-Effective Government. While many of the key performance indicators included in this budget document also align with metrics utilized by the California State Auditor and the Government Finance Officers Association, others are used to help round out the City's finances overall. Using the City's audited Annual Comprehensive Financial Report ("ACFR") as the primary source, the City's key performance indicators include: (1) Revenue Trends; (2) Net True Operating Surplus/(Deficit); (3) General Fund Reserves; (4) Liquidity; (5) Pension Obligations; (6) Debt Burden; (7) Pension Funded Status; (8) OPEB Funded Status; (9) Self- Insurance Funded Status; and (10) Capital Asset Condition.

Key Performance Indicators	Grading Criteria		
	High Risk	Moderate Risk	Low Risk
Revenue Trends	< 0%	0% - 2%	2% or >
Net True Operating Surplus/(Deficit)	-\$2M or > deficit	-\$2M to +\$2M	+ \$2M
General Fund Reserves	< 15%	15% - 20%	20%+
Liquidity	< 100%	100% - 150%	150%+
Pension Obligations	> 100%	50% - 100%	< 50%
Debt Burden	> 100%	40% - 100%	< 40%
Pension Funded Status	< 70%	70% - 80%	80%+
OPEB Funded Status	< 70%	70% - 80%	80%+
Self Insurance Funded Status	< 70%	70% - 80%	80%+
Capital Asset Condition	< 0%	0% - 2%	2% or >

Key Performance Indicators	FY2018	FY2019	FY2020	FY2021	FY2022
Revenue Trends					
Net True Operating Surplus/(Deficit)					
General Fund Reserves					
Liquidity					
Pension Obligations					
Debt Burden					
Pension Funded Status					
OPEB Funded Status					
Self Insurance Funded Status					
Capital Asset Condition					

The outcomes of these metrics provide insight, highlight areas of focus, and ensure the City's finances are effectively managed. As such, monitoring the performance of each KPI is an essential function for making informed financial decisions during the budget process. In fiscal year 2021-22 ("FY21-22"), the City's ranking for each metric was as follows:

Red – High Risk

- OPEB Funded Status
- Self-Insurance Funded Status

Yellow - Moderate Risk

- Pension Obligations

Green – Low Risk

- Revenue Trends
- Net True Operating Surplus/(Deficit)
- General Fund Reserves
- Liquidity
- Debt Burden
- Pension Funded Status
- Capital Asset Condition

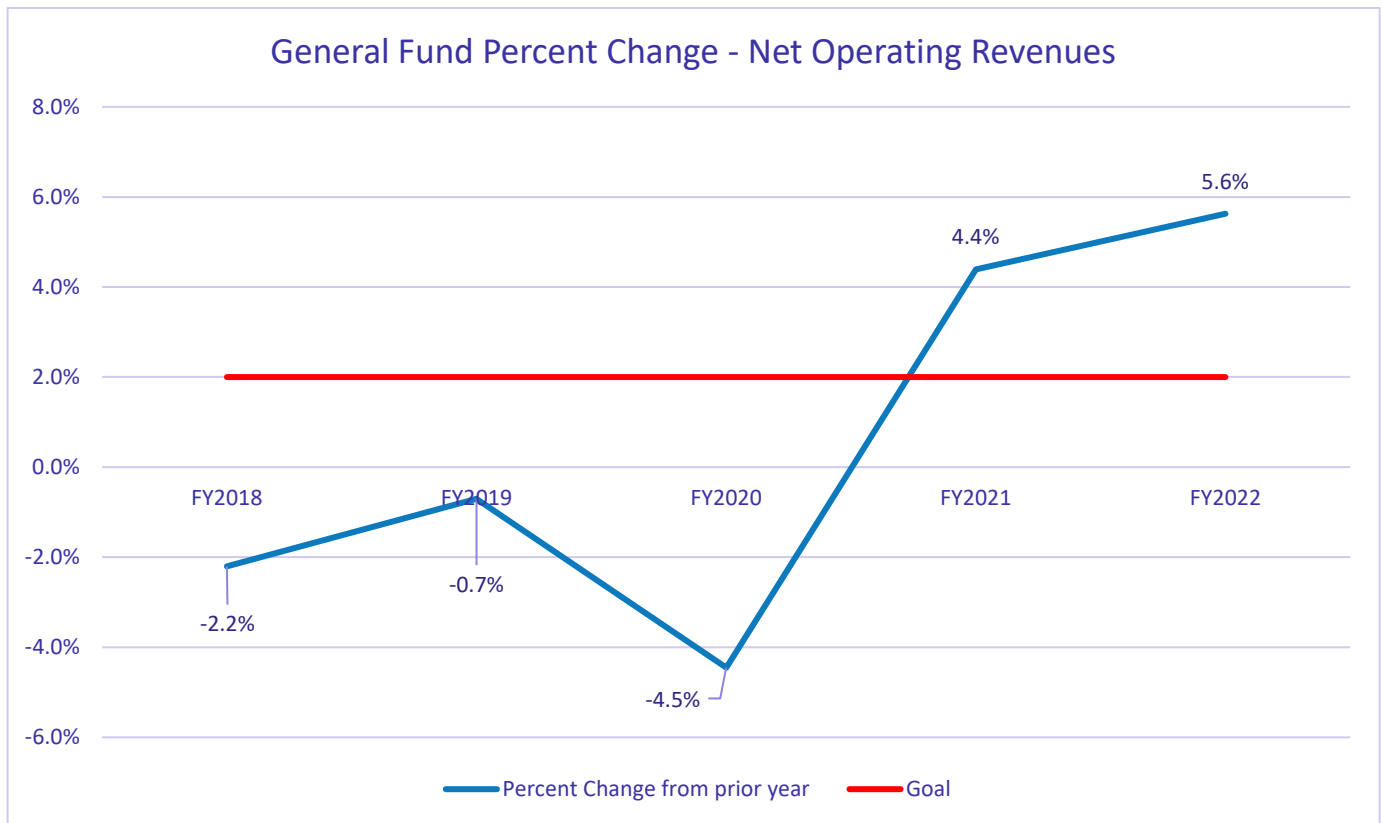
Revenue Trends

This key performance indicator monitors the year-over-year changes in Operating Revenues and Transfers In for the City's General Fund, controlled for one-time sources and inflation. The City uses the June Consumer Price Index for all Urban Consumers (CPI-U) to control for inflation factors to accurately capture recurring revenue growth.

From FY17-18 to FY19-20, the City's General Fund revenues underperformed and did not meet the 2% year-over-year growth goal. However, as the economy rebounded from the COVID-19 pandemic, the City's revenues experienced 4.4% growth in FY20-21 and 5.6% growth in FY21-22, shifting the City's position to the low-risk category.

Revenue Trends

	FY2018	FY2019	FY2020	FY2021	FY2022
Operating Revenues & Transfers In (net) - thousands	189,775	194,731	188,597	204,735	234,839
CPI-U (as of June 30)	265.5	274.4	278.1	289.2	314.1
CPI-U (adjustment for constant dollars-2012 basis)	88.9%	86.0%	84.9%	81.6%	75.1%
Operating Revenues & Transfers In (net) - thousands	168,692	167,510	160,051	167,080	176,481
Percent Change from prior year	-2.2%	-0.7%	-4.5%	4.4%	5.6%
Goal	2.0%	2.0%	2.0%	2.0%	2.0%
5-Year Average Change					0.9%



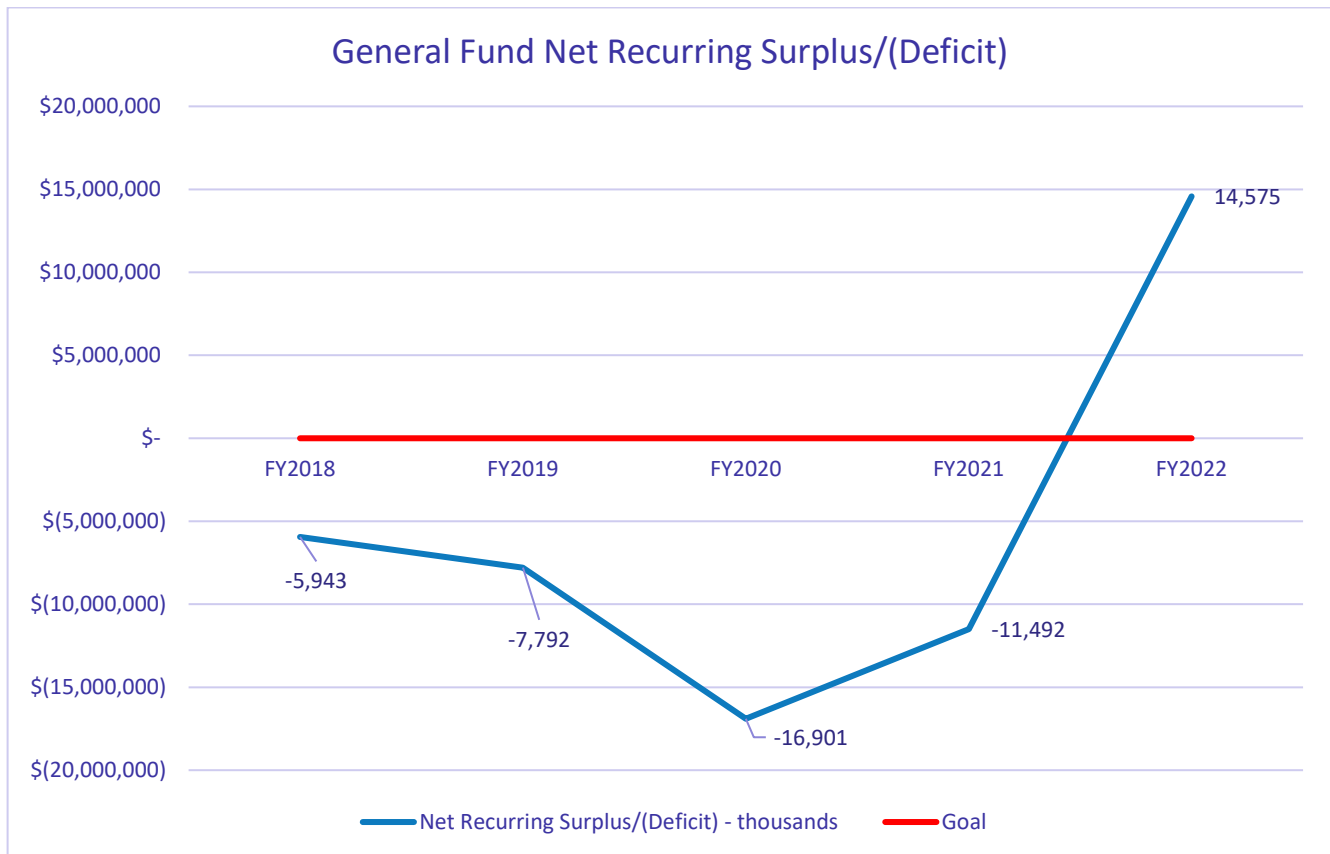
Net True Operating Surplus/(Deficit)

The Net True Operating Surplus/(Deficit) KPI monitors the result of all recurring revenues against recurring expenditures in the General Fund. The City controls for one-time activities to accurately monitor recurring outcomes and identify any structural imbalances each year.

After controlling for one-time activities, the City's General Fund was operating at a structural loss between FY17-18 and FY20-21. This underperformance was exacerbated by the onset of the COVID-19 pandemic which adversely affected financial performance in FY19-20. As shown below, the City's General Fund revenues experienced marginal improvement in FY20-21 followed by a structural operating surplus of \$14.6 million in FY21-22.

Net True Operating Surplus / (Deficit)

	FY2018	FY2019	FY2020	FY2021	FY2022
Net Operating Revenues & Transfers In - thousands	189,775	194,731	188,597	204,735	234,839
Net Operating Expenditures & Transfers Out - thousands	195,718	202,523	205,498	216,226	220,264
Net Recurring Surplus/(Deficit) - thousands	-5,943	-7,792	-16,901	-11,492	14,575
Goal	0	0	0	0	0
5-Year Average Change					-5,511



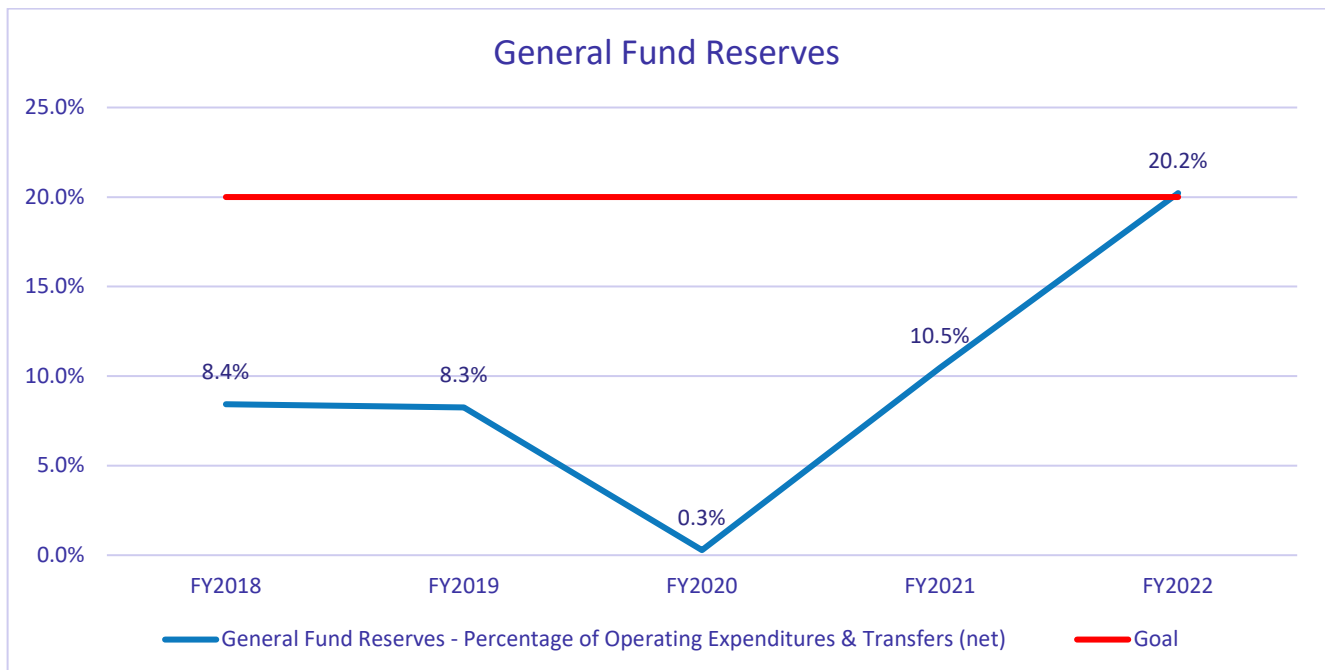
General Fund Reserves

The General Fund Reserves KPI monitors the Unassigned Fund Balance as a percentage of the General Fund's Operating Expenditures and Transfers Out. The City controls for one-time activities in the Expenditures and Transfers classifications to accurately capture recurring outcomes and monitor the City's unassigned fund balance each year.

In FY17-18 and FY18-19, the City's General Fund–Unassigned fund balance remained stable but below the established 20% goal. This was exacerbated by the onset of the COVID-19 pandemic which adversely affected the City's ranking for this metric. As shown below, the City's General Fund–Unassigned fund balance reached a record low in FY19-20. However, the City was able to significantly improve its fund balance status in FY20-21 after receiving \$22.8 million in one-time funds. As shown below, the City surpassed its reserve balance goal of 20% in FY21-22, partially due to receiving an additional \$12.0 million in one-time funds. While the City's ranking in this category has since improved from High Risk to Low Risk, the State Auditor does not award full points for this category (30 points) until 75% is realized.

General Fund Reserves

	FY2018	FY2019	FY2020	FY2021	FY2022
General Fund Unassigned Fund Balance - thousands	16,501	16,725	581	22,633	44,727
Operating Expenditures & Transfers (net) - thousands	195,718	202,523	205,498	216,226	221,218
General Fund Reserves - Percentage of Operating Expenditures & Transfers (net)	8.4%	8.3%	0.3%	10.5%	20.2%
Goal	20.0%	20.0%	20.0%	20.0%	20.0%
5-Year Average					9.5%

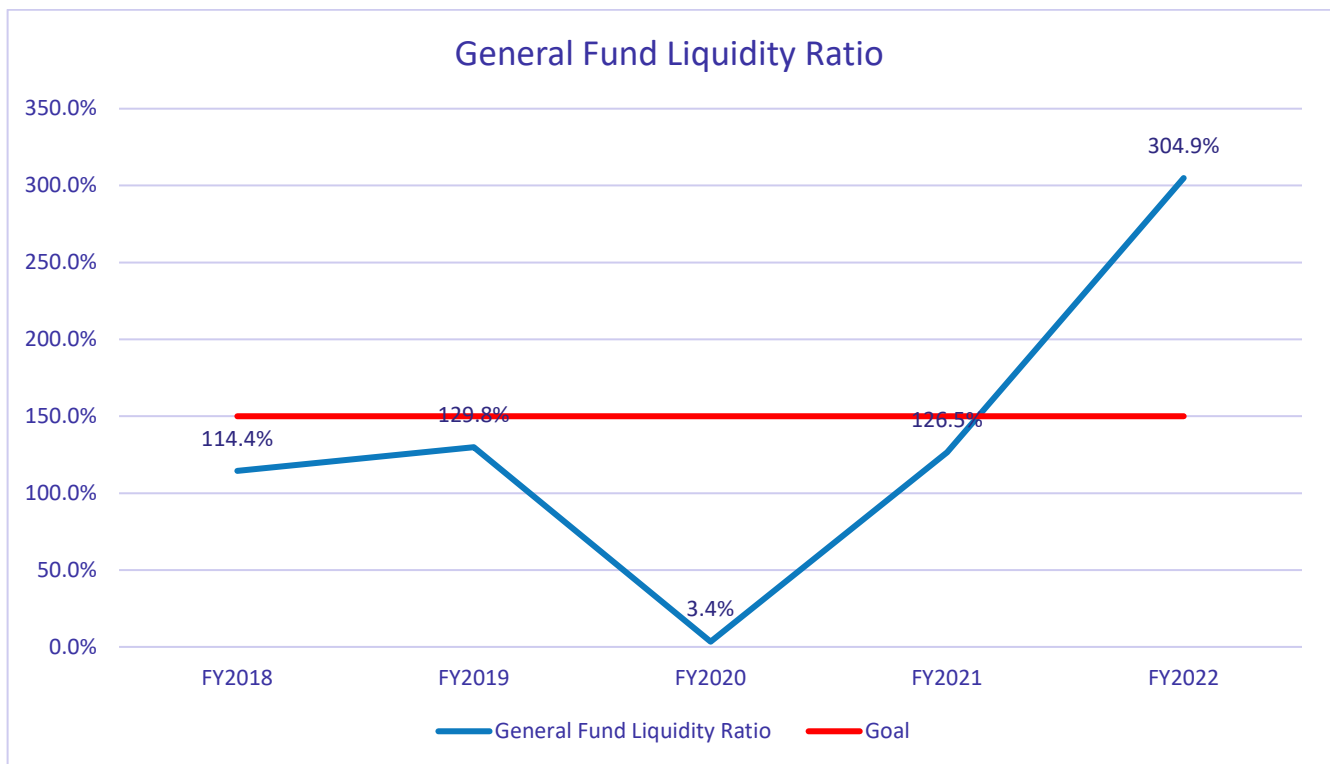


Liquidity

The Liquidity KPI monitors the City's General Fund cash and investment balances relative to General Fund liabilities. The City utilizes this metric to determine how much cash is on hand to cover near-term liabilities and other General Fund activities.

As shown below, the City's Liquidity indicator performed moderately in FY17-18 and FY18-19. Exacerbated by the onset of the COVID-19 pandemic, this metric was adversely affected in FY19-20. However, the City was able to significantly improve its liquidity in FY20-21 after receiving \$22.8 million in one-time funds. As shown below, the City surpassed its liquidity goal of 150% in FY21-22, partially due to receiving an additional \$12.0 million in one-time funds. The City's ranking in this category has since improved to Low Risk.

Liquidity	FY2018	FY2019	FY2020	FY2021	FY2022
General Fund Cash & Investments - thousands	56,386	10,782	623	11,550	32,150
General Fund Liabilities - thousands	49,274	8,304	18,319	9,131	10,545
General Fund Liquidity Ratio	114.4%	129.8%	3.4%	126.5%	304.9%
Goal	150.0%	150.0%	150.0%	150.0%	150.0%
5-Year Average					135.8%

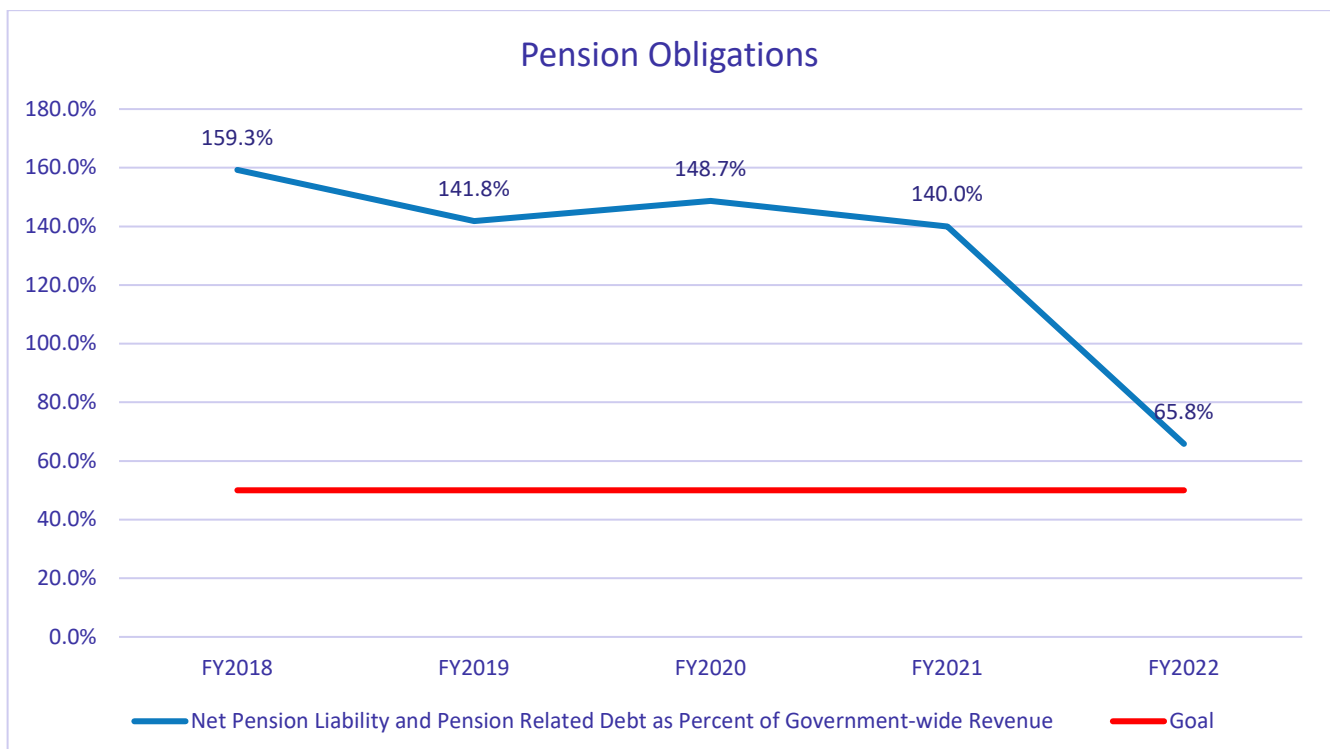


Pension Obligations

The Pension Obligations KPI monitors the City's total pension related liabilities including CalPERS, PARS, or any other pension-related debt as a percentage of the City's total revenues. The City uses this metric to monitor how much of its revenue stream is burdened by its outstanding pension-related liabilities.

Since FY17-18, the City's pension obligations as a percentage of citywide revenues have experienced a downward trend. The City's score in this indicator improved significantly in FY21-22, a combined result of issuing the 2020 Lease Revenue Bonds to pay down a significant portion of the City's Unfunded Actuarial Liability and a 21.3% CalPERS investment return. However, this indicator will be adversely impacted by a CalPERS investment loss in FY21-22. Despite these recent events, the City will remain diligent in strategically lowering this ratio to achieve the 50% goal.

Pension Obligations	FY2018	FY2019	FY2020	FY2021	FY2022
Net Pension Liability/(Asset) - thousands	491,427	473,395	487,649	510,899	-65,133
Pension-Related Debt - thousands	0	0	0	0	347,500
Governmentwide Revenues - thousands	308,579	333,806	327,990	364,924	428,920
Net Pension Liability and Pension Related Debt as Percent of Government-wide Revenue	159.3%	141.8%	148.7%	140.0%	65.8%
Goal	50.0%	50.0%	50.0%	50.0%	50.0%
5-Year Average					131.1%



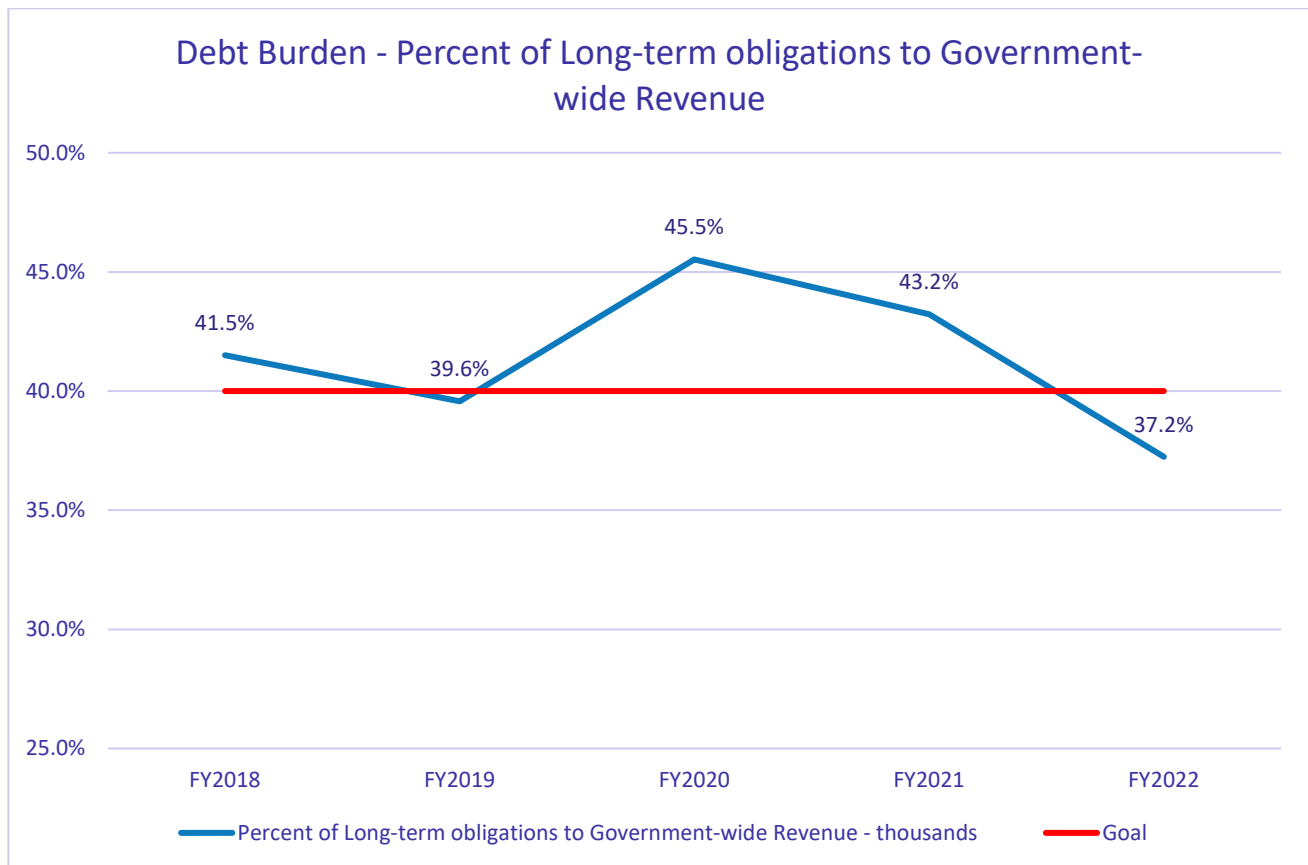
Debt Burden

The Debt Burden KPI monitors the City's total long-term obligations, excluding all pension and OPEB-related debt, as a percentage of the City's total revenues. The City uses this metric to determine how much of its revenue stream is burdened by its outstanding general debt-related obligations.

The City's total long-term liability (excluding pensions and OPEB) as a percentage of citywide revenues has fluctuated between 40% and 46% since FY17-18. This indicator fell below the 40% goal in FY21-22, but the City will remain focused on paying down its existing obligations to maintain the 40% threshold.

Debt Burden

	FY2018	FY2019	FY2020	FY2021	FY2022
Long-Term Obligations (excluding pension debt) - thousands	128,081	132,073	149,313	157,722	159,737
Governmentwide Revenues - thousands	308,579	333,806	327,990	364,924	428,920
Percent of Long-term obligations to Government-wide Revenue - thousands	41.5%	39.6%	45.5%	43.2%	37.2%
Goal	40.0%	40.0%	40.0%	40.0%	40.0%
5-Year Average					41.4%

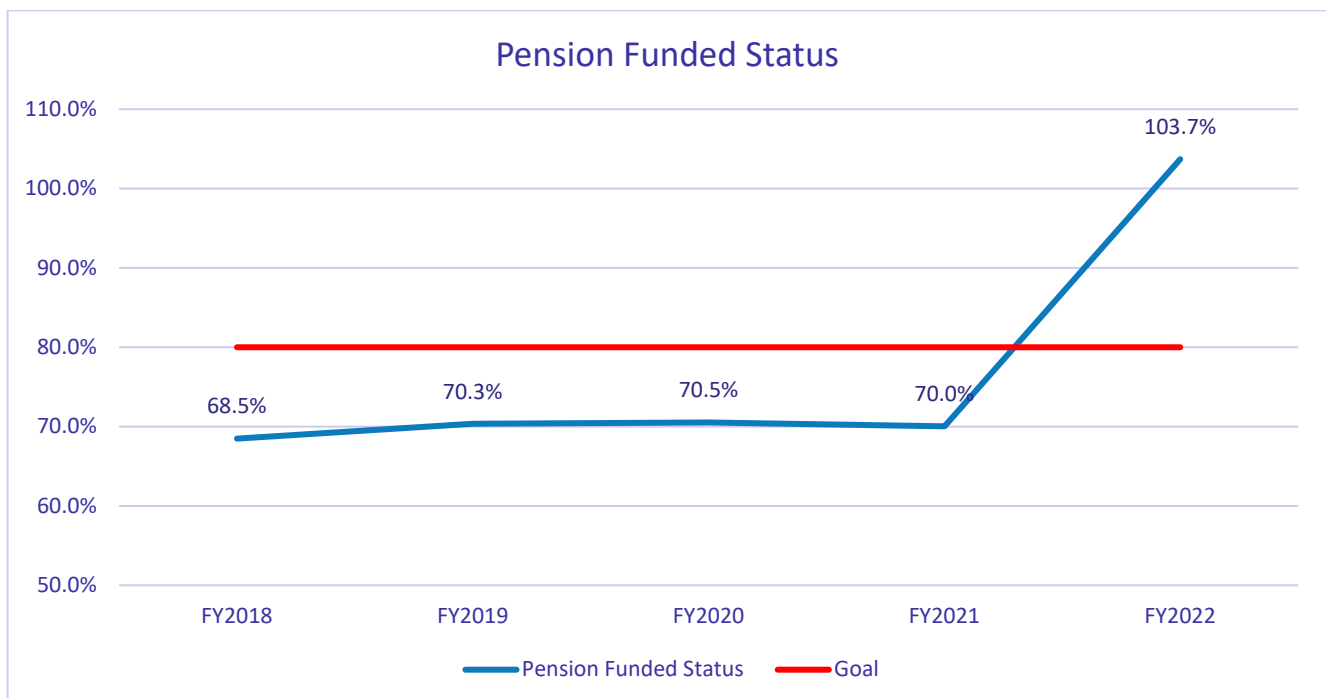


Pension Funded Status

The Pension Funded Status KPI monitors the funding status of the City's two pension plans, CalPERS and PARS, though the PARS pension plan is no longer offered to employees hired after January 2013 when the California Public Employees' Pension Reform Act ("PEPRA") went into effect. This metric is used to determine the overall financial health of its pension plans and monitor funding needs for the future.

Although the City's strives to maintain a fully funded pension system, the State Auditor provides the highest scoring for meeting an 80% threshold. To estimate future returns, CalPERS has implemented discount rate reductions and provided more reliable actuarial contribution amounts to anticipate annual outcomes more realistically. As a result, this has increased City contributions and lowered the City's funded status. In FY20-21, the City issued \$349.5 million in bonds to pay down a significant portion of the City's Unfunded Actuarial Liability. Additionally, CalPERS experienced a 21.3% investment return in the same year, allowing the City to surpass 100% funded status in FY21-22 as shown below. However, this indicator will be adversely impacted by a CalPERS investment loss in FY21-22, deteriorating the City's fully funded status in the year to come.

Pension (CalPERS & PARS) Funded Status	FY2018	FY2019	FY2020	FY2021	FY2022
Fiduciary Net Position - thousands	1,068,022	1,123,052	1,166,458	1,194,336	1,824,991
Total Pension Liability - thousands	1,559,448	1,596,447	1,654,107	1,705,235	1,759,858
Pension Funded Status	68.5%	70.3%	70.5%	70.0%	103.7%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					76.6%

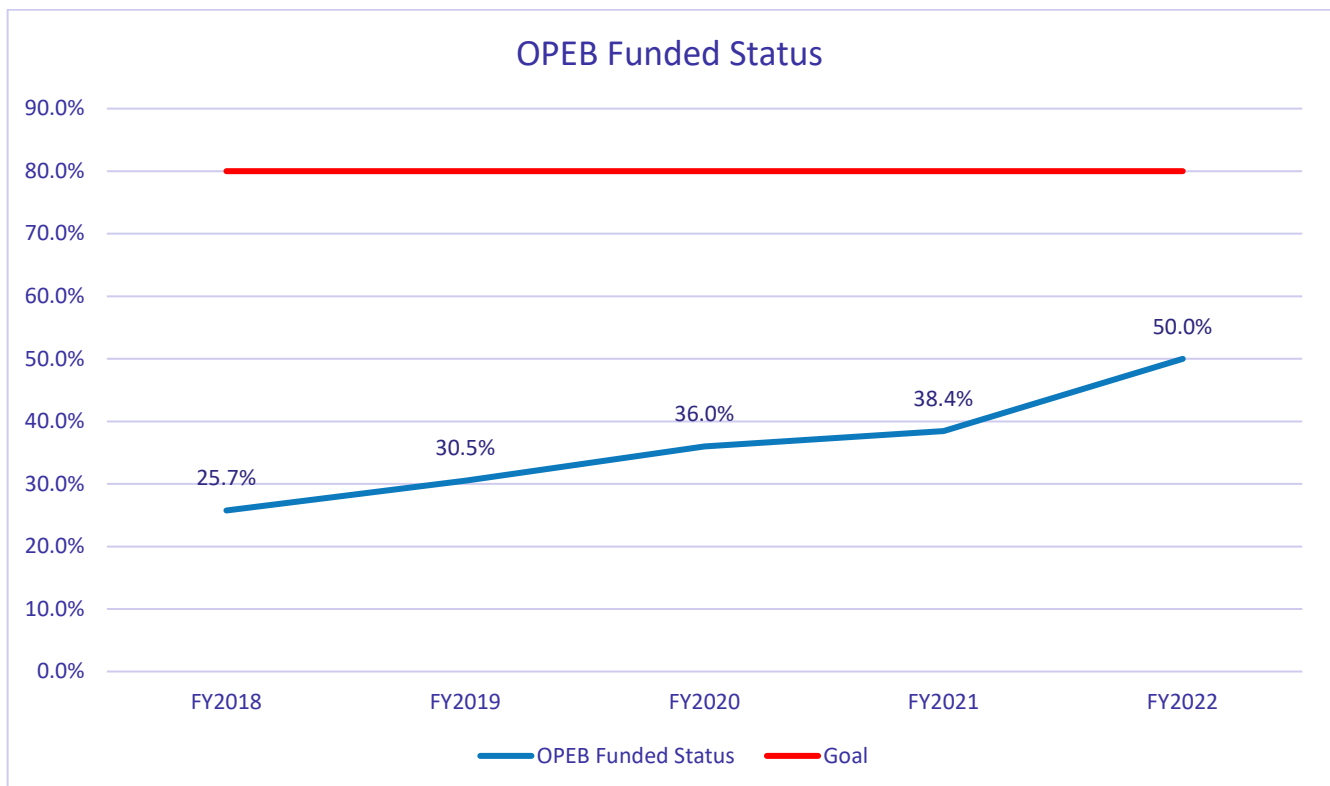


OPEB Funded Status

The Other Postemployment Benefits (OPEB) Funded Status KPI monitors the City's funding status of its postemployment benefits (outside of pension). This typically includes retiree medical costs and this metric to monitor the health of its OPEB trust fund to pay for future retiree medical costs. The City's funds are currently held in the CalPERS Employers' Retiree Benefit Trust ("CERBT") Fund.

The City's OPEB funded status has improved since the CERBT account was established in FY15-16 with actuarially determined (net of pay as you go costs) contributions made each year. Although the City's strives to maintain a fully funded post-employment benefits system, the State Auditor provides the highest scoring for meeting an 80% threshold. The City continues to make its annual payments as determined through regular actuarial reports and is expected to improve its funding status for this metric in future years. As such, it is important to continue sufficiently funding these contributions to stay on this path.

OPEB Funded Status	FY2018	FY2019	FY2020	FY2021	FY2022
Fiduciary Net Position - thousands	17,123	21,032	25,039	27,848	38,802
Total OPEB Liability - thousands	66,499	68,885	69,583	72,460	77,616
OPEB Funded Status	25.7%	30.5%	36.0%	38.4%	50.0%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
4-Year Average					36.1%

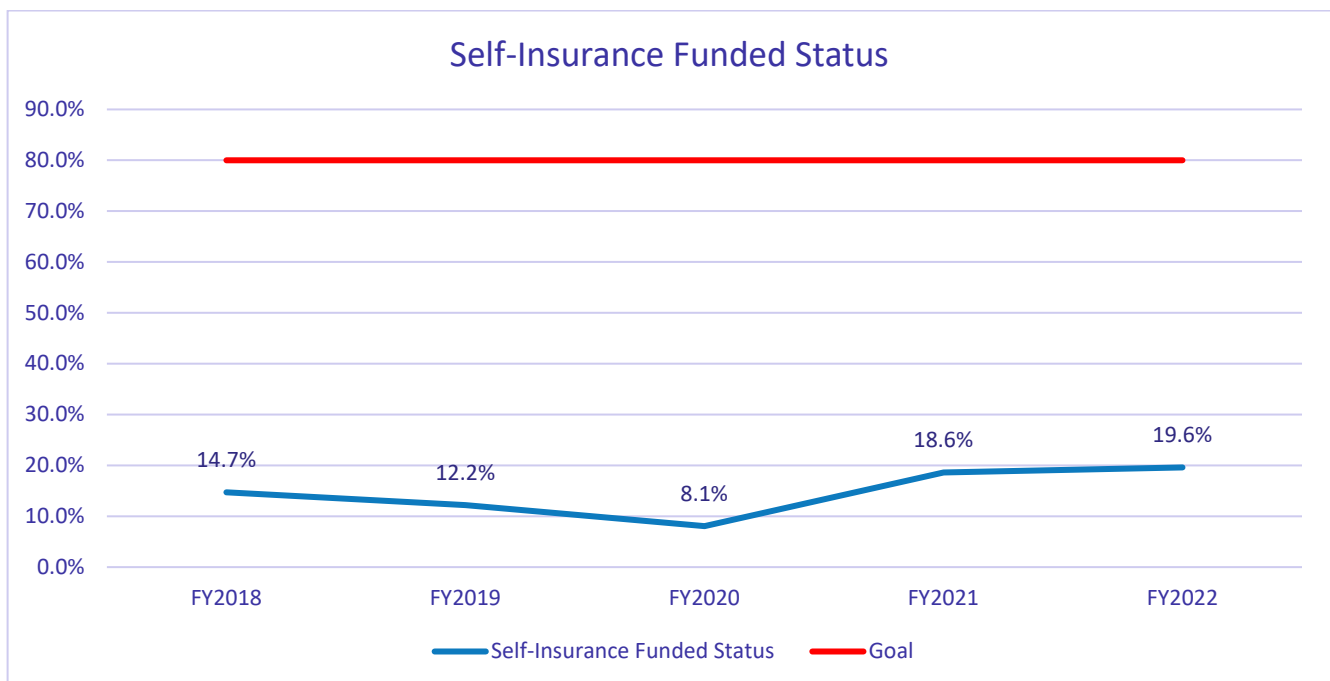


Self-Insurance Funded Status

The Self-Insurance Funded Status key performance indicator monitors the City's funding status of its Self-Insurance Fund, which pays for open litigation liabilities and workers compensation claims. The City uses this metric to monitor the financial health of the Self-Insurance Fund against outstanding claims.

Since FY17-18, the City's Self-Insurance funded status has remained below 20%. Historically, the City has operated on a pay-as-you-go basis when funding this internal service fund. The City's strives to fund 100% of its open liabilities though the goal for this metric has been set to 80% for consistency with pension and OPEB thresholds. While the City continues to increase its contributions to the Self-Insurance Fund, it is still expected to continue operating at a loss in the coming budget cycle. Despite increasing contributions in recent years, the Self-Insurance Fund's FY23-24 budget will remain imbalanced by \$7.8 million as a result of increased insurance premiums, anticipated legal settlements and workers compensation costs. As such, it is important that the City continues to increase its annual contributions to the Self-Insurance Fund to improve its ranking for this metric.

Self-Insurance Funded Status	FY2018	FY2019	FY2020	FY2021	FY2022
Self-Insurance Assets - thousands	6,228	5,216	4,822	12,743	15,159
Self-Insurance Liabilities - thousands	42,386	42,717	59,815	68,570	77,326
Self-Insurance Funded Status	14.7%	12.2%	8.1%	18.6%	19.6%
Goal	80.0%	80.0%	80.0%	80.0%	80.0%
5-Year Average					14.6%

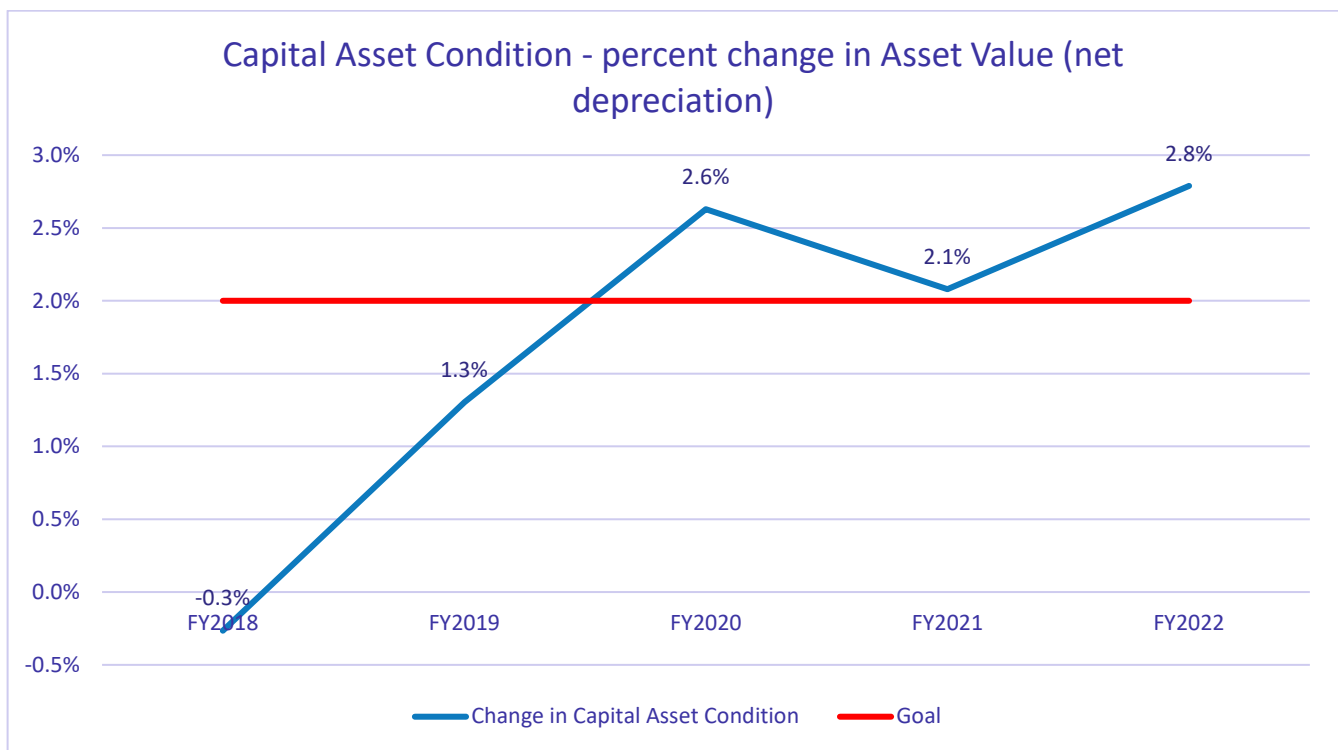


Capital Asset Condition

The Capital Asset Condition KPI monitors the City's investments in capital assets over time. The City uses this metric to determine the overall health of its assets and ensure that investments are made to properly maintain them.

The City's change in total invested capital assets has generally increased each year. It is important to monitor this trend over time to ensure that the City does not experience a declining asset balance which would indicate accelerated deterioration of assets as they depreciate. As shown below, the change in net Capital Assets (net of depreciation) has been largely positive over the last five years. However, it is also important to monitor at Capital Asset Condition (amount remaining) which has been in decline since FY17-18. The City will continue to remain focused on improving this trend by investing more in its assets to ensure they are well-maintained.

Capital Asset Condition	FY2018	FY2019	FY2020	FY2021	FY2022
Citywide Capital Asset Value - thousands	893,864	922,522	956,310	977,471	1,013,034
Accumulated Depreciation - thousands	-408,688	-431,019	-451,887	-462,557	-483,760
Citywide Capital Asset Value (net of depreciation) - thousands	485,176	491,503	504,423	514,914	529,274
Citywide Capital Asset Condition (amount remaining)	54.3%	53.3%	52.7%	52.7%	52.2%
Change in Capital Asset Condition	-0.3%	1.3%	2.6%	2.1%	2.8%
Goal	2.0%	2.0%	2.0%	2.0%	2.0%
5-Year Average					1.6%



Economic Data

The City's Proposed FY23-25 Operating Budget was developed with consideration of both national and local economic trends. Staff have been monitoring economic indicators such as the federal funds rate, the Consumer Price Index, Real Gross Domestic Product, labor market trends, inventories to sales ratio, and consumer confidence.

Federal Funds Rate

As a result of spikes in inflation nationwide, the Federal Reserve has been leveraging policy decisions to try and temper the economy and “cool” these trends. As a result, beginning in early 2022, the Federal Open Market Committee (“FOMC”) has adjusted the federal funds target rate several times. This is the benchmark borrowing rate from which fixed income instruments, auto loans, mortgages, and credit card rates are all based. The increases implemented have been aggressive to return the economy and price inflation to “normal” levels. These increases on borrowing rates create a significant headwind for the broader economy, adversely affecting the cost of investment for business as well as the cost of home ownership. These actions have directly affected home sales prices in Torrance during calendar Q3 2022 though since the prices stabilized in calendar Q4 2022, as explained later in this document. Below is a summary of the actions taken during 2022 and so far in 2023:

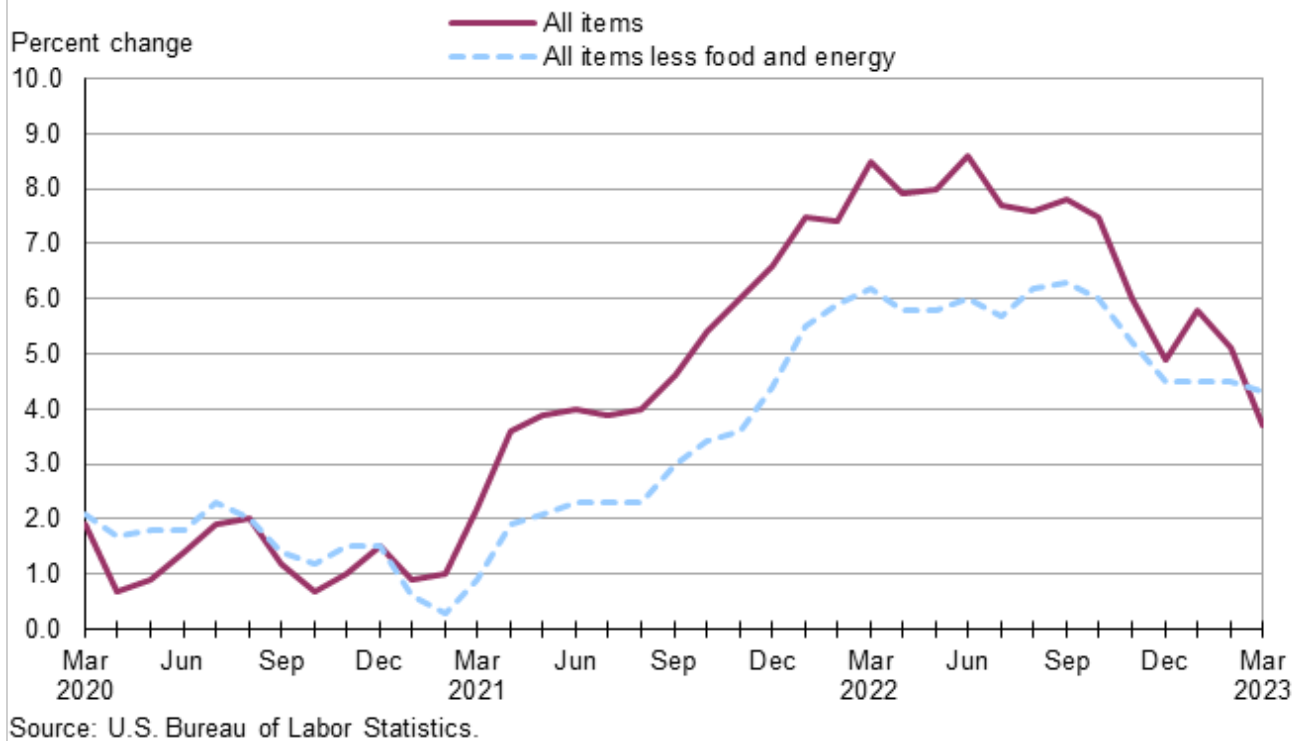
Federal Reserve Meeting	Action Taken	Fed Fund Rate
March 23, 2023	+25 basis points	4.75% - 5.00%
February 1, 2023	+25 basis points	4.50% - 4.75%
December 14, 2022	+50 basis points	4.25% - 4.50%
November 2, 2022	+75 basis points	3.75% - 4.00%
September 21, 2022	+75 basis points	3.00% - 3.25%
July 27, 2022	+75 basis points	2.25% - 2.50%
June 16, 2022	+75 basis points	1.50% - 1.75%
May 5, 2022	+50 basis points	0.75% - 1.00%
March 17, 2022	+25 basis points	0.25% - 0.50%

Consumer Price Index (Inflation)

During the COVID-19 pandemic peak, the Federal Reserve lowered interest rates to near zero in an effort to incentivize economic activity as much as possible. As a result of this action, and as vaccinations became widely available allowing restrictions to be lifted, this sparked high levels of economic activity. As economic activity returned and supply chains were challenged in keeping pace with the demand this had an adverse effect on the inflation rate (Consumer Price Index; CPI). The CPI-U tracks the cost increase of goods, with the chart below more specifically focusing on our local region. As seen below, during 2021 and into 2022, the CPI-U (CPI for All Urban Consumers)

climbed to a peak of 8.6% in June 2022. As a result of the federal funds rate increases, this has had a positive effect slowing economic activity and returning CPI to more “normal” levels reaching 3.7% as of March 2023. This will be closely monitored along with all other economic indicators to ensure projections weigh all factors. The full detail for the last three years can be seen below:

Chart 1. Over-the-year percent change in CPI-U, Los Angeles-Long Beach-Anaheim, CA, March 2020–March 2023

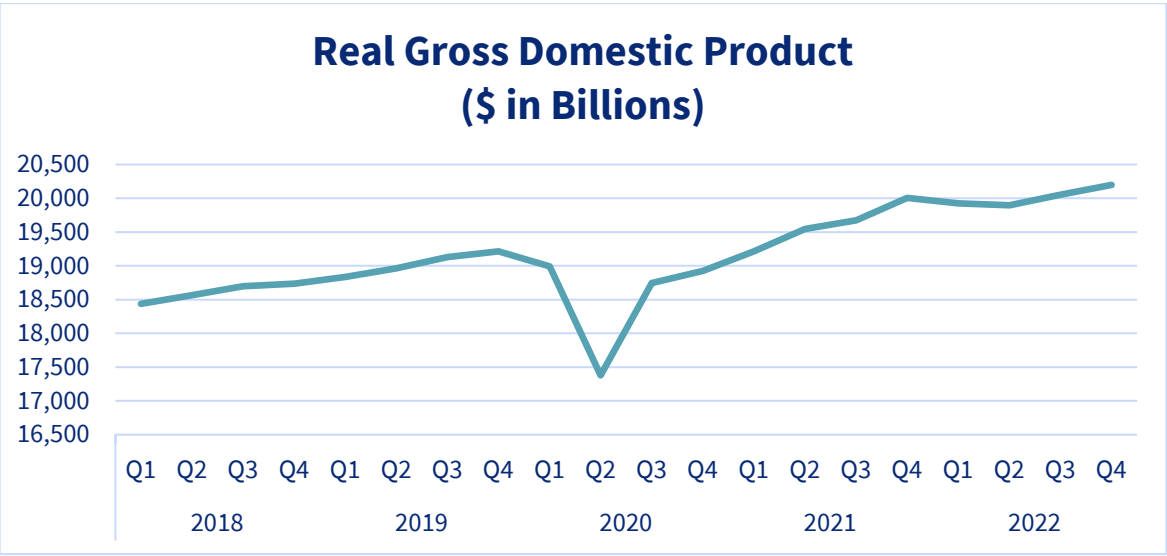


Real Gross Domestic Product

Real Gross Domestic Product (“GDP”) is a measure that reflects the value of all goods and services produced by an economy in a given year (controlled for annual inflation figures). Essentially, it measures a country's total economic output. Real GDP metrics are used for analyzing economic growth over time. Most recent data available from United States (U.S.) Bureau of Economic Analysis (BEA) shows that at the national level, GDP increased by 3.7% in the first calendar quarter of 2022 (compared to the same period the year prior), followed by more moderated growth of 1.8% increase in the second quarter, 1.9% in the third quarter, and 1.0% in the fourth quarter. The increase in the second, third, and fourth quarter GDP figures reflect the outcome of some of the policy decisions being made at the federal reserve level to temper economic activity.

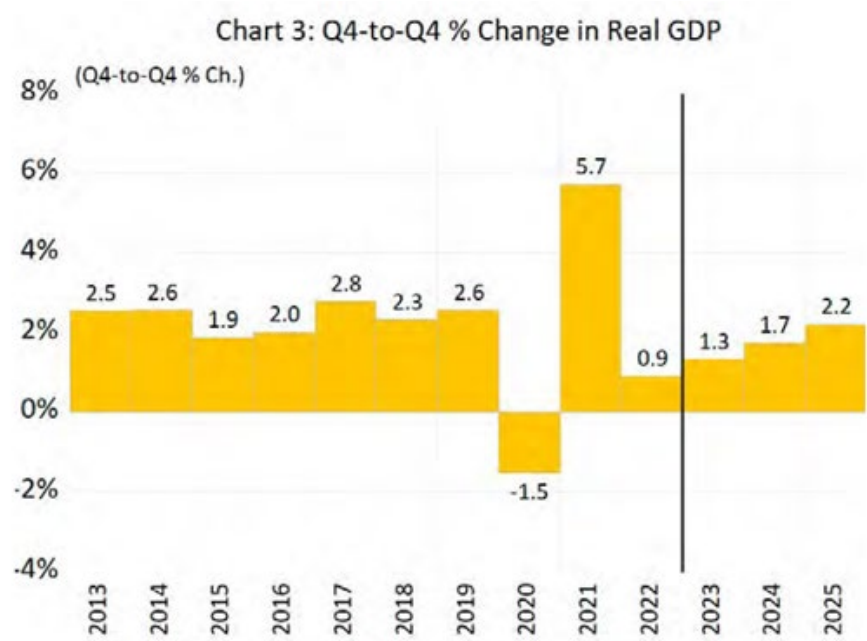
Spikes in demand and constrained supply (though improving) have driven prices up in many areas of the broader economy. Fuel prices continue to hold elevated levels in California. As of May 1, 2023,

the Automobile Club of America (AAA) quotes the national average for fuel prices at \$3.61 per gallon, with California coming in at \$4.87 per gallon.



Source: United States Bureau of Economic Analysis

According to the March 2023 UCLA Anderson Forecast, annualized projections currently anticipate a growth rate of 1.3% in 2023, 1.7% in 2024, and 2.2% in 2025.



Source: The UCLA Anderson Forecast for the Nation and California: March 2023 Report

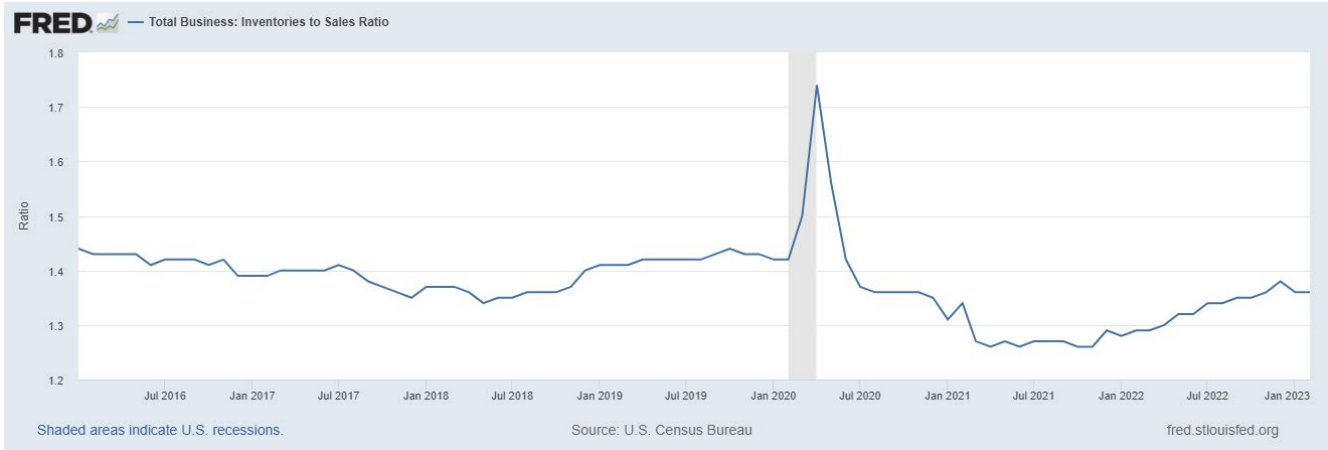
Labor Market Trends

Despite the recent waves of job cuts and layoffs, the labor market remains strong. As of March 2023, the U.S. unemployment rate was 3.5%, California was 4.3%, and Los Angeles County was 5.3%. Although the 2022 calendar year ended with significant improvements in unemployment figures compared to the year prior, unemployment rates have started to see an upward tick. This indicator will be of continued focus since economic activity is heavily driven by consumer demand and increases in unemployment rates will contribute to the overall headwinds facing the broader economy. As of the first quarter of 2023, Torrance had an unemployment rate of 4.1%. With unemployment at these levels, and the “Great Resignation” taking place, it has grown increasingly challenging to attract and retain high level talent for the organization and will continue to be a focus in the future.

Local Unemployment Rate Trends									
	2021				2022				2023
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
National	6.0%	5.9%	4.8%	3.9%	3.6%	3.6%	3.5%	3.5%	3.5%
California	8.4%	7.9%	6.4%	5.8%	4.8%	4.2%	3.9%	4.1%	4.3%
Los Angeles County	10.5%	9.7%	7.6%	6.8%	5.7%	5.1%	4.8%	4.7%	5.3%
Carson	6.5%	8.7%	10.8%	11.6%	5.2%	5.2%	4.8%	4.9%	5.4%
Gardena	5.6%	8.8%	11.4%	11.5%	5.0%	5.6%	4.8%	4.5%	5.0%
Glendale	5.4%	8.0%	10.6%	9.9%	4.9%	4.9%	4.3%	4.2%	5.2%
Hawthorne	6.6%	9.1%	11.5%	11.4%	5.0%	5.3%	4.4%	4.3%	5.2%
Inglewood	7.3%	10.0%	12.2%	12.6%	5.8%	6.1%	5.3%	5.0%	5.8%
Santa Monica	4.7%	6.1%	7.8%	7.7%	4.5%	4.7%	4.3%	4.4%	5.4%
Torrance	4.0%	5.8%	7.9%	8.0%	3.5%	3.7%	3.2%	3.4%	4.1%

Inventories to Sales Ratio

The Inventory to Sales Ratio metric measures the amount of inventory being carried compared to the number of sales orders being fulfilled. Business inventories spiked in the peak of the COVID-19 pandemic at 1.74 briefly when the economy came to an immediate halt. As the economy partially re-opened in 2021 and business resumed, the nation experienced a significant spike in demand and economic activity as restrictions continued to be lowered and interest rates dropped. This in turn placed great strain on the overall supply chain. The inventories to sales ratio hit a low of 1.25 in October 2021, which has had an impact on price of goods and overall inflation rates. Since that time, the balance has improved and begun to return to pre-pandemic levels as of the period ending February 2023 at 1.36. From an economist’s perspective, an upward trend reflects a deceleration of sales, or an increase of inventory on hand. Although this ratio displays an uptick, it is still lower than the 5-year average (2015-2019) of 1.40.

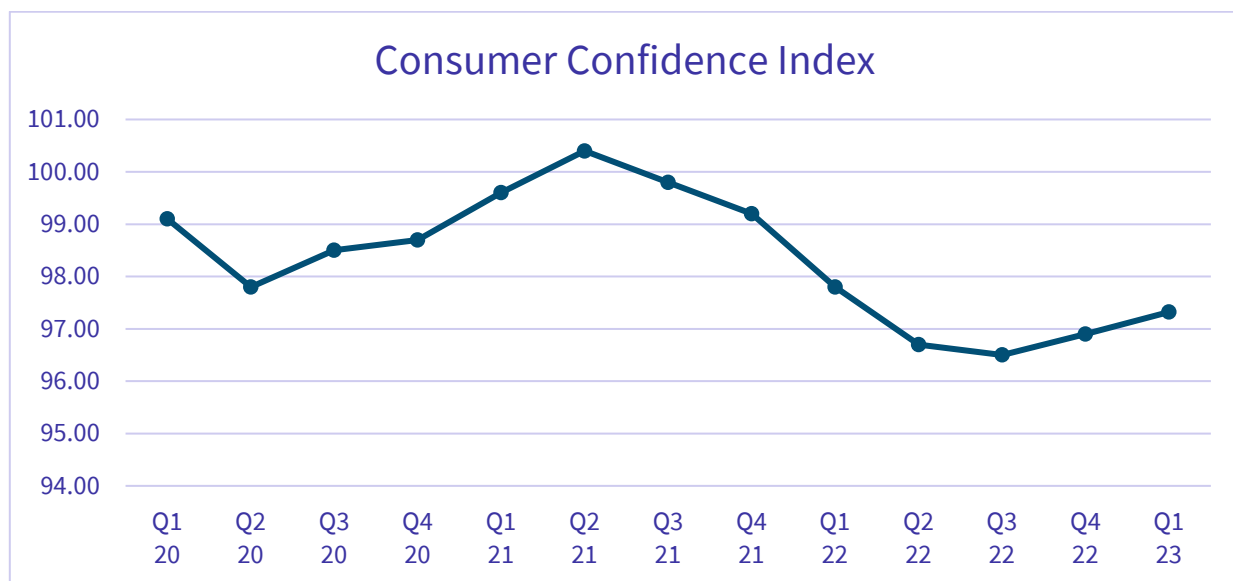


Source: Federal Reserve Economic Data

Consumer Confidence Index



Consumer confidence index (“CCI”) is a critical driver of the U.S. and local economy which measure consumer confidence levels regarding their financial situation, sentiment about the general economic situation, unemployment, and capability of savings. According to the most recent CCI survey, consumer optimism fell below the peak of the pandemic which occurred in the second calendar quarter of 2020 (“Q2 2020”) as shown below.



Source: Organization for Economic Cooperation and Development

Beginning in calendar Q2 2022, we have seen consumer confidence fall below peak pandemic levels (97.8) with an outcome of 96.50 in Q3 2022, though we have seen a slight uptick with Q1 2023 ending at 97.3. According to Ataman Ozyildirim, Senior Director, Economics at The Conference Board, “Consumers were less upbeat about the short-term outlook for jobs. They also expect business conditions to worsen in the near term. Despite that, consumers expect their incomes to remain relatively stable in the months ahead. Meanwhile, purchasing plans for autos and appliances held steady, but fewer consumers are planning to buy a home—new or existing. Consumers’ expectations for inflation ticked up slightly from 6.6 percent to 6.8 percent over the next 12 months, but inflation expectations are still down from its peak of 7.9 percent last seen in June.”

This is a metric the City will continue to monitor closely as sales and use tax is the City’s largest core revenue source, followed by property tax. With these figures falling below pandemic levels, it is anticipated that the City will experience a change in its sales tax growth trajectory.

Citywide Budget

All Funds (Citywide)	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget
Revenues	1,144,048,521	446,340,126	502,234,770	527,853,450	533,504,238
Expenditures	1,110,319,250	401,976,221	490,711,545	504,629,149	519,716,898
Revenues Less Expenditures	\$ 33,729,271	\$ 44,363,905	\$ 11,523,225	\$ 23,224,301	\$ 13,787,340

FY23-24 revenues from all funds are projected to increase \$25.6 million and is mainly the result of increased revenues in the General Fund–Measure SST Fund, General Fund - Unassigned, Sewer Fund, Water Fund, Fleet Services Fund, Self-Insurance Fund, offset by decreases in the Airport Fund, and the Transit Fund. FY24-25 revenues from all funds are projected to increase \$5.7 million and is mainly the result of increased revenues in the General Fund–Operating Fund and Self-Insurance Fund, offset by decreases in the General Fund – Restricted/Assigned and General Fund - Unassigned. In both years, the Public Works Sanitation and Water Funds assume no Consumer Price Index adjustments or rate changes since all the previously approved Proposition 218 rate adjustment cycles have lapsed.

FY23-24 expenditures from all funds are projected to increase \$13.9 million and is mainly due to increases in the General Fund–Operating Fund, General Fund–Measure SST Fund, Sanitation Fund, Sewer Fund, Water Fund, Fleet Services Fund, and Self-Insurance Fund, offset by decreases in the General Fund – Restricted/Assigned and Airport Fund. FY24-25 expenditures from all funds are projected to increase \$15.1 million and is mainly due to increases in the General Fund–Operating Fund, Airport Fund, Transit Fund, and Self-Insurance Fund, offset by decreases in the Water Fund.

The full detail of the changes in each of these funds is discussed in the **Revenues** and **Expenditures** sections.

General Fund Budget

Below is a summary table that focuses in on the City’s overall General Fund, including the General Fund–Operating Fund, General Fund–Measure SST Fund, General Fund – Restricted/Assigned, and the General Fund – Unassigned sub funds:

General Fund	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget
Revenues	576,595,130	250,919,723	294,364,524	324,700,232	325,882,538
Expenditures	554,707,183	225,475,965	285,684,465	295,981,989	305,494,785
Revenues Less Expenditures	\$ 21,887,947	\$ 25,443,758	\$ 8,680,059	\$ 28,718,243	\$ 20,387,753

As shown above, the City is projected to increase the fund balance of the General Fund by \$28.7 million in FY23-24. This increase is primarily driven by a recommended contribution to the CalPERS Employee Pension Prefunding Trust (CEPPT) totaling \$22.3 million and a recommended contribution to the Reserve Fund totaling \$4.8 million. In FY24-25, the fund balance is projected to increase by \$20.4 million. This is primarily driven by a recommended contribution to the CalPERS Employee Pension Prefunding Trust (CEPPT) totaling \$16.7 million and a recommended contribution to the Reserve Fund totaling \$2.7 million. Since this provides a full picture of the City’s overall General Fund performance the net result of activities can fluctuate on a year-to-year basis depending on whether the City is contributing to these different areas or drawing on them in years when needed.

It is important to examine the General Fund sub-funds separately. The two main operating funds are the General Fund–Operating Fund and General Fund–Measure SST Fund. This fund separately tracks activities related to Measure SST which was approved by voters in June 2022 and increased the City’s transactions and use tax rate 0.50%.

General Fund–Operating Fund Budget

The General Fund–Operating Fund contains approximately 91.6% of the General Fund’s overall expenditure budget as highlighted in the subsequent summary table:

General Fund Operating Fund	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget
Revenues	\$ 566,798,012	\$ 247,019,456	\$ 271,369,162	\$ 271,197,616	\$ 279,478,068
Expenditures	\$ 543,474,044	\$ 223,993,426	\$ 264,381,277	\$ 271,197,616	\$ 279,478,068
Revenues Less Expenditures	\$ 23,323,968	\$ 23,026,030	\$ 6,987,885	\$ -	\$ -

As shown above, the City's General Fund–Operating Fund is balanced for FY23-24 and FY24-25. In FY23-24, it is projected that General Fund revenues will decrease by \$172,000. This is primarily the net result of the following factors:

- **Property Tax, Property Transfer Tax, VLF Swap & Repayment** – The budget in this classification is projected to increase by \$3.3 million, or 5.2%, across these three property tax categories. Currently, the FY23-24 budget for property tax revenues is anticipated to surpass FY22-23 Mid-Year projections by 4.9%. While the median sales price has remained strong in Torrance, suppressed buyer demand has translated to a lower number of reassessments under Proposition 13, adversely impacting the City's net property tax revenues.
- **Utility Users Tax** – The budget in this classification is projected to increase by \$3.3 million, or 7.9%. Currently, the FY23-24 budget for UUT revenues is anticipated to surpass FY22-23 Mid-Year projections by \$2.4 million, or 5.7%. The biggest changes are currently expected in electric and gas utility rates, with the Torrance Refining Company ("Refinery") as the primary driver for this increase.
- **Business License Tax** – The budget in this classification is projected to increase by \$1.4 million, or 15.4%. Currently, the FY23-24 budget for Business License Tax is anticipated to surpass FY22-23 Mid-Year projections by \$518,000, or 5.4%. The main driver is an additional \$325,000 in budgeted revenue from a recently approved contract for business license tax recovery and audit services. Staff will closely monitor the results of these efforts and adjust the budget accordingly in future cycles.
- **Charges for Services** – The budget in this classification is projected to increase by \$1.6 million, or 7.1%. The main driver is an additional \$1.25 million in budgeted revenue from the City's participation in the enhanced PP-GEMT program.
- **Operating Transfers In** – The budget in this classification is projected to decrease by \$12.0 million, or 31.4%. The main driver is a combined decrease in one-time transfers from the Airport Fund and Measure SST Fund during FY22-23 which will not recur in future budget cycles.

In FY24-25, it is projected that the revenue budget will **increase by \$8.3 million**, primarily driven by increases in **Sales and Use Tax, Property Tax, Utility Users' Tax, Charges for Services**, and **Operating Transfers In** revenue classifications.

General Fund–Operating Fund expenditures are projected to increase in FY23-24 by \$6.8 million mainly driven by the following factors:

- **Materials, Supplies & Maintenance** – Across multiple departments adjustments are recommended in this classification for various items. In addition to these changes explained in each department's respective section, rates have been adjusted for Fleet Vehicle Replacement and Labor charges, to ensure proper funding levels are maintained. Additionally, fuel budgets have been increased to accommodate recent cost fluctuations.
- **Professional Services/Contract Services & Utilities** – Across multiple departments adjustments are recommended in this classification for various items. In addition to these changes explained in each department's respective section, rates have been adjusted for utilities, to ensure sufficient budgets are available to cover increased costs.
- **Interdepartmental Charges** – Increased contributions necessary to the Self-Insurance Internal Service Fund to minimize operating losses.

In FY24-25, the expenditure budget is projected to increase by \$8.3 million, primarily driven by increases in **Salaries and Employee Benefits; Materials, Supplies & Maintenance; Professional/Contract Services & Utilities**; and **Interdepartmental Charges** and offset by a decrease in **Other Operating Transfers Out** expenditure classification.

General Fund–Measure SST Fund Budget

The General Fund–Measure SST Fund separately accounts for the 0.50% transactions and use tax (sales tax) approved by the Torrance voters in June 2022. This measure, titled **Safe Strong Torrance**, included four main funding priorities: **Quality of Life; Fiscal Sustainability; Deferred Maintenance & Community Services/Programs**; and **Emergency Responsiveness**. City Council will approve the budgeted use of these funds and the newly established Measure SST Committee will provide public oversight to ensure funds are utilized in accordance with the Council approved spending plan and review completed financial audits of the Fund.

The General Fund–Measure SST Fund contains approximately 7.8% of the General Fund’s overall expenditure budget. The summary is highlighted below:

General Fund Measure SST	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget
Revenues	\$ -	\$ -	\$ 17,550,521	\$ 22,942,288	\$ 23,561,804
Expenditures	\$ -	\$ -	\$ 17,550,521	\$ 22,942,288	\$ 23,561,804
Revenues Less Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -

As shown above, the City’s General Fund–Measure SST Fund is balanced for FY23-24 and FY24-25. In FY23-24, it is projected that revenues will increase by \$5.4 million. This is the result of the following:

- **Sales and Use Tax:** The Sales and Use Tax budget will grow by \$5.4 million dollars due to FY23-24 being the first full year of receipts from Measure SST (effective October 1, 2022) as well as revenue trends exceeding original projections for this fund.

In FY24-25, it is projected that the revenue budget will increase by \$620,000, primarily driven by increases in **Sales and Use Tax**.

General Fund–Measure SST Fund expenditures are projected to increase in FY23-24 by \$5.4 million primarily driven by the following factors:

- **Materials, Supplies & Maintenance:** This budget classification is increasing \$1.0 million to cover planned expenditures in the City’ Manager’s Office addressing homelessness.
- **Professional Services/Contract Services & Utilities:** This budget classification is increasing by \$525,000 to account for the remainder of the items in CIT to address the cybersecurity component of Measure SST.
- **Other Operating Transfers Out:** This budget classification is increasing by \$3.9 million so that Police Department positions can be funded at \$8.8 million, Fire positions at \$1.9 million, a CIT cybersecurity position can be funded at \$175,000, \$1.0 million to assist in rebuilding the reserves of the Self-Insurance Fund, \$4.8 million to assist in rebuilding the reserves of the General Fund, \$2.5 million to assist in building the CEPPT reserve for pension funding, and \$2.0 million to fund the Capital Improvement Plan.

In FY24-25, it is projected that the expenditures budget will increase by \$620,000, primarily driven by increases in **Other Operating Transfers Out**.

A full listing of the spending priorities for the next two years, aligned with the originally expected uses can be found below:

General Fund - Measure SST	Original Projection	FY 2023-24	FY 2024-25
Revenues	18,000,000	22,942,288	23,561,804
Expenses	18,000,000	22,942,288	23,561,804
Revenues Less Expenditures	\$ -	\$ -	\$ -

Funding Details & Assumptions

Quality of Life	Original Projection	FY 2023-24	FY 2024-25
Restore/Maintain Public Safety	10,000,000	10,655,265	10,950,926
Homelessness Response Efforts	1,000,000	1,000,000	1,000,000
Fiscal Sustainability	Original Projection	FY 2023-24	FY 2024-25
CEPPT Contribution		2,500,000	2,500,000
Reserve Contribution	5,000,000	4,802,423	2,731,922
Self-Insurance Rebuild Offset Contribution	-	1,000,000	1,500,000
Deferred Maintenance & Community Services/Programs	Original Projection	FY 2023-24	FY 2024-25
Capital Contribution	1,000,000	1,984,600	3,874,100
Emergency Responsiveness	Original Projection	FY 2023-24	FY 2024-25
Cyber Security Upgrades	1,000,000	1,000,000	1,004,856

Further details are provided in the **Revenues** and **Expenditures** sections of this budget document.

Personnel Summary

Fund Name	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
General Fund	1,137.98	1,139.93	1,149.41	1,146.87	1,147.87	(2.54)	1.00
Airport Fund	9.50	11.28	12.07	12.07	12.07	-	-
Animal Control Fund	3.80	-	-	-	-	-	-
AQMD	-	0.20	0.75	0.90	0.90	0.15	-
Area G Fund	-	1.00	1.00	1.00	1.00	-	-
Fleet Services Fund	33.50	33.60	34.60	33.60	33.60	(1.00)	-
HOME Investment Partnership	-	-	2.50	-	-	(2.50)	-
Low Mod Fund	0.30	0.40	0.35	0.30	0.30	(0.05)	-
Sanitation Fund	40.25	43.12	38.95	38.95	38.95	-	-
Section 8 Housing	6.00	5.75	4.58	4.58	4.58	-	-
Self-Insurance Fund	-	7.50	8.50	8.50	8.50	-	-
Sewer Fund	26.85	25.02	15.90	15.90	15.90	-	-
Transit Fund	169.90	196.10	196.80	196.80	196.80	-	-
Vanpool Fund	-	0.50	0.70	0.70	0.70	-	-
Water Fund	41.45	46.47	40.45	39.45	39.45	(1.00)	-
Other - Capital Improvement and Grants	-	21.19	23.43	25.70	25.70	2.27	-
City-Wide FTE	1,469.53	1,532.06	1,529.99	1,525.32	1,526.32	(4.67)	1.00

The FY23-24 budget is proposed to decrease by 4.67 full-time equivalent (FTE) employees, which is primarily the result of program modifications from the First Quarter and Mid-Year Budget Review Reports and proposed changes included in this budget process, which are explained in the **Budget Changes** section. In addition to these changes, staff evaluate all positions and their funding source each year (no change to total citywide FTE) to align for appropriateness, and these adjustments are captured in the above table as well.

The FTE reflected in the Other - Capital Improvement and Grants row is a result of the City directly budgeting these positions or portions of positions as funded from various Capital Improvement Plan sources (started in FY21-22) or from non-recurring grant sources.

Budget Changes

The City's FY23-24 budget includes a net reduction of 4.67 FTE citywide though most position changes have already been approved by City Council through midcycle program modifications. The details of all newly proposed personnel budget changes are explained below:

- **City Attorney** – The department's FY2023-24 staffing budget is recommended to be increased by 2.0 FTE. The staffing changes listed below will support recruitment flexibility and upward mobility, Homeless Court implementation, and highly complex legal cases:
 - Add 1.0 FTE Deputy City Attorney I
 - Convert 1.0 FTE Deputy City Attorney II to 1.0 FTE Deputy City Attorney III

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- Add 1.0 FTE Deputy City Attorney III
 - Convert 2.0 FTE Legal Assistant I to 2.0 FTE Legal Assistant II
 - **City Manager** – The department’s FY2023-24 staffing budget is recommended to be increased by 2.0 FTE. The staffing changes listed below will support recruitment flexibility and upward mobility and the expansion of homelessness outreach efforts:
 - Delete 1.0 FTE Administrative Assistant
 - Add 2.0 FTE Staff Assistant
 - **Finance** – Although the department’s FY2023-24 staffing budget will remain at 40.75 FTE, the staffing changes listed below will support upward mobility and improve the quality of financial budget projections:
 - Convert 1.0 FTE Accountant to 1.0 FTE Policy & Resource Specialist
 - **Fire** – The department’s FY2023-24 staffing budget is recommended to be increased by 1.0 FTE. The staffing changes listed below will support recruitment and succession planning through by civilianizing positions in the department’s Community Risk Reduction Division.
 - Convert 1.0 FTE Deputy Fire Chief to 1.0 FTE Battalion Chief (With Assigned Premium)
 - Convert 1.0 FTE Battalion Chief to 1.0 FTE Fire Captain
 - Add 1.0 FTE Fire Prevention Specialist Supervisor
 - **Police** – The department’s FY2023-24 staffing budget is recommended to be increased by 6.0 FTE. The staffing changes listed below will provide support for police accountability and collaborative justice reform and allow the department to maintain existing crossing guard program commitments.
 - Add 1.0 FTE Administrative Assistant
 - Add 2.0 FTE Police Sergeant
 - Add 3.0 FTE Crossing Guard
 - **Public Works** – The department’s FY2023-24 staffing budget is recommended to be decreased by 1.0 FTE. The staffing changes listed below will address complex infrastructure and capital project needs:
 - Convert 1.0 FTE Engineering Technician III to 1.0 FTE Associate Engineer
 - Delete 1.0 FTE Water Service Intern
 - Convert 4.0 FTE Water System Operator I to 4.0 FTE Water System Operator II

In addition to these proposed staffing changes, the City’s FY23-24 budget also includes newly proposed non-wage budget changes as detailed below:

- **City Attorney** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$77,000 to account for major cost drivers associated with increased employee grievances and appeals.

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- **City Clerk** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$275,000 to account for major cost drivers associated with increased general election costs.
 - **City Manager** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$1.2 million. These budget changes account for major costs drivers associated with the following:
 - AchieveIt strategic planning software (+\$40,000)
 - Expansion of Economic Development initiatives (+45,000)
 - Charter amendment measures (+\$130,000)
 - Homelessness program (+\$1.0 million)
 - **City Treasurer** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$11,000 to account for major cost drivers associated increased continuing education.
 - **Civil Service** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$75,000 to account for major cost drivers associated with increased arbitration transcription services to support the Civil Service Commission.
 - **CIT** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$994,000. These budget changes account for major costs drivers associated with the following:
 - Accela’s transition to the cloud (+\$192,000)
 - Expansion of Office365 (+\$145,000)
 - ArcGIS annual subscription (+\$70,000)
 - Shift from the PC Replacement Fund to CIT’s operating budget for virtual server software (+\$62,000)
 - Increased efforts dedicated to cybersecurity (\$525,000)
 - **Community Development** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$270,000. These budget changes account for major costs drivers associated with the following:
 - Document scanning and storage (+\$50,000)
 - Seismic consulting services (+\$95,000)

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- Code enforcement consulting services (+\$75,000)
 - Oil well plan review services (+\$50,000)
 - **Community Services** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$41,000 to account for major cost drivers associated with the repair and maintenance of park amenities.
 - **Finance** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$635,000. These budget changes account for major cost drivers associated with the following:
 - Business license tax collection and auditing services (+\$325,000)
 - Financial auditing services for the Measure SST Fund (+\$25,000)
 - Payroll processing (+\$45,000)
 - Legal services (+\$200,000)
 - Enhancements to IT general controls (+\$40,000)
 - **Fire** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$330,000. These budget changes account for major cost drivers associated with the following:
 - Changes in the Ground Emergency Medical Transport (PP-GEMT) program (+\$246,000)
 - EMS quality assurance services (+\$39,000)
 - Third-party EMS billing services (+\$20,000)
 - Legal services (+\$25,000)
 - **General Services** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$49,000. These budget changes account for major cost drivers associated with the following:
 - Citywide graffiti removal services (+\$31,000)
 - Shift from CDD’s operating budget to the General Services operating budget for the maintenance of electric vehicle chargers (+\$18,000)
 - **Human Resources** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department’s FY2023-24 non-wage budget is recommended to be increased by \$71,000 to account for major cost drivers associated with anticipated increases in personnel investigation services.
 - **Police** – In addition to recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the

department's FY2023-24 non-wage budget is recommended to be increased by \$955,000. These budget changes account for major cost drivers associated with the following:

- Department of Justice Collaborative Reform (+\$756,000)
- Third-party false alarm billing services (+\$45,000)
- Shift from the Capital Project Fund to the Police Department's operating budget for server maintenance and storage costs (+\$60,000)
- **Public Works** – In addition to recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund and controlling for CPI adjustments, the department's FY2023-24 non-wage budget is recommended to be increased by \$592,000. These budget changes account for major cost drivers associated with the following:
 - Shift from CDD's operating budget to Public Work's operating budget for landscaping services (+\$45,000)
 - Shift from the Sanitation Fund's operating budget to Public Work's operating budget for landfill charges (+\$135,000)
 - Shift from the Sewer Fund's operating budget to Public Work's operating budget for National Pollutant Discharge Elimination System compliance (+\$412,000)

Budget Efficiencies

As part of this year's budget planning and development process for the FY23-25 budget cycle, the City Manager's Office reinstated the Budget Review Team for a comprehensive approach towards assessing citywide operations. The City's Budget Review Team is comprised of the City Manager, Department Heads, Managers and Supervisors. Two Budget Review Team meetings were held in November 2022 and January 2023 to discuss multi-year projections; status of labor relations; evaluate vacant positions; identify and explore operating efficiencies; determine revenue opportunities; and set the stage for the coming year's budget process.

During these meetings, departments identified 47 efficiency areas citywide to explore and research as part of the budget development process. Some of these topics are multi-year endeavors and others are simpler to implement. In total, this proposed budget incorporates 24 of the topics in the budget, including but not limited to: a new citywide fee study, reduced outside legal counsel through in-house labor, improved use of assets and marketing of facilities (public & private), broadened investment opportunities, outsourced business license collection efforts, and use of contract services for citywide tree maintenance.

There are 19 topics that remain in process as they require further research and evaluation for determining a recommended path of implementation including: commercial parking benefit districts, staffing and program level changes in Community Services, naming rights for city facilities, outsourcing of custodial services, airport landing fees, airport fuel flowage fee increases, in-house

vehicle warranty program through the Fleet Services Division, outsourcing preventative maintenance work for the Fleet Services Division, civilianizing additional personnel positions in safety departments, addressing illegal dumping, and use of the Transit Center to enhance revenues. In total, four options were deemed not viable at this time including: County animal control, County library services, and changes to the fleet services and airport work schedules.

Areas of Focus

In the non-wage area of the budget, improvements have been made in multiple areas. Over the last two years, Finance has produced a listing of Areas of Focus to ensure priorities are addressed. The following Areas of Focus have been resolved since the last budget cycle:

- Overtime: \$6.8 million underbudgeted
- Fleet Services Fund: \$8.0 million underfunded
- Other Replacement Funds: \$1.3 million underbudgeted

These remaining Areas of Focus have been highlighted during First Quarter and Mid-Year Budget Review reports, and continue to be monitored going forward:

- Self-Insurance Fund: Approximately \$62.2 million underfunded
- Cash Balances by Fund
- Labor Trends
- Expiring Labor Agreements
- Aging Infrastructure and City Facilities/Parks
- Pension/OPEB Benefits Liability Management

Self-Insurance Fund: The City's Self-Insurance Fund covers expenditures in the following areas: non-litigated claims, liability claims and associated settlements, workers' compensation cases, and unemployment Insurance payments. It is funded by contributions from the General Fund, Enterprise Funds and Internal Service Funds, and over the last several years has experienced a deterioration of its fund balance. As of June 30, 2022, the fund balance is (-\$62.2) million. This is driven by existing outstanding liabilities in workers' compensation of \$49.7 million and Liability Claims of \$22.3 million. As of June 30, 2022, the cash balance in this fund stands at only \$14.8 million.

Given the aforementioned trends, the FY23-24 budget ramps up contributions another 20% and FY24-25 another 10% to restore structural balance to this fund and rebuild its balance to a positive status. Based on the City's 10-year projections it is anticipated balance will be restored in FY27-28. Additional one-time transfers will be recommended in the interim when budget savings are available to help address this shortfall more timely.

Cash Balances by Fund: The City continues its focus to improve the General Fund’s cash balance. As the City improves its **General Fund Reserves** and **Liquidity** ranking in the Key Performance Indicator (KPI) section of this document, this will improve the Cash Balances by Fund concern raised in prior reports. This effort will take multiple years to resolve through the monitoring of these KPIs each year.

Labor Trends: A complex state of trends, including changing demographics, technological change, and a reevaluation of the contract between employer and worker, has brought about the tightest labor market of modern times. During FY20-21 and FY21-22, the City held positions vacant to weather the COVID-19 pandemic. With the impacts of the pandemic largely behind the City, and the passage of Measure SST allowing public safety positions to remain whole, the City is working hard to attract and retain high quality talent. It is proving to be an extremely challenging time to fill positions and will be the focus for months to come to stabilize the workforce.

As of March 2023, 221 employees are eligible for retirement (based 55 years of age; Employee Classification A). As the workforce ages, City staff will continue to monitor retirement eligibility for proper succession planning. Beginning in Fiscal Year 2021-22, the City has sustained a significant spike in retirements and voluntary resignations. The most common cited reasons for recent departures have been **better salaries and benefits**, and **flexibility**. Based on these recent trends, employee retention will continue to be a challenge in the coming years as the City works to settle labor contracts set to expire beginning December 2023.

	Fiscal Years Ending		9-Months
	2021	2022	2023
Retirements	57	72	48
Voluntary Resignations	42	133	87
Departures or Death	11	13	15
Total Separations	110	218	113



Status of Labor Agreements: The City’s labor agreements with the various union groups follow different terms. The City’s Miscellaneous labor groups expired June 2020, however most have been settled. Three of the miscellaneous groups (TCEA, TFEA, TPPREO, TPSA, TRREO) have settled with an expiration date of June 2024. The Police & Fire safety labor agreements are currently set to expire in December 2023. In the coming months it will be important to focus on multi-year collective bargaining agreements for the City. For reference, it is estimated that it costs the city, across all Funds, approximately \$2.0 million for every 1% in negotiated wage increase for all unions/bargaining units. In order for the City to attract the necessary talent to combat the aforementioned departures, adjustments to salaries and benefits will be an important focus.

Aging Buildings and Infrastructure: The City of Torrance owns and operates over \$500 million worth of buildings, public facilities and infrastructure. With every year passing these buildings age and deteriorate, many of which are still in their original condition. Currently the City’s capital assets have reached their half-life mark, requiring heavy maintenance and upgrade. General Services is in the process of hiring a firm to index and assess each building and establish criteria for rating its condition. Items such as ADA and seismic upgrades will be evaluated, along with HVAC, plumbing, electrical and other various infrastructure items. Interior and exterior elements such as windows, doors, paint, flooring and roofs will also be surveyed. Estimated costs will then be associated with each facility based on repair, renovation or new construction needed. This will help better inform future capital improvement plans.

Pension/OPEB Benefits Liability Management

In Fiscal Year 2021-22, CalPERS sustained an estimated loss of 6.1%. This translates to a significant increase in unfunded liabilities and the amortized repayment over the next 20 years, beginning in FY24-25. For example, the annual Unfunded Actuarial Liability (UAL) payment increases from \$10 million in Fiscal Year 2026-27 to \$21 million in Fiscal Year 2031-32. The impact of these recent returns has been incorporated into the City's 10-Year forecast, which also includes the utilization of savings from the Section 115 Fund, which the City funds on an annual basis. It is anticipated that the City will need to make its first drawdown in FY27-28. The assumptions used in the 10-Year forecast will be refreshed semi-annually to use the most recent returns data from CalPERS.

Pension Costs (CalPERS)

Background

The City participates in the CalPERS agent multiple-employer, defined-benefit (DB) pension plan under §401(a) of the internal revenue code (IRC). This code section also provides for defined contribution (DC) plans similar to 401(k) profit sharing plans and 457(b) deferred compensation plans where the employer's sole responsibility is to make a defined contribution (DC), if any, and all other risks are borne by the employee. However, in a DB plan, the employer guarantees some pre-defined benefit level at retirement and the City bears all risks associated with the promise. This defined benefit retirement system provides city employees with a fixed benefit retirement entitlement based on three main factors:

1. Years of Service
2. Highest CalPERS eligible compensation (1 or 3 years, depending on Tier)
3. Age upon retirement

Depending on an individual's entry into the CalPERS system, their hire date with the City, and their employment status with the City, they can fall into one of four tiers:

1. **Tier 1: Classic;** This group of employees is effectively a closed group. Only employees that were hired with the City before the creation of Tier 2 are eligible for this group. In this group, employees are eligible for the Employer Paid Member Contribution (EPMC). The CalPERS benefit is calculated using the highest single year of CalPERS eligible compensation. Within this group, if you were hired before July 1996 there is no limit on CalPERS eligible compensation limits. If you were hired after July 1996, the limit on CalPERS eligible compensation sits at \$330,000 for 2023 (with potential future increases).
 - a. Miscellaneous Employees: The City contributes 7% for EPMC on behalf of the employees.
 - b. Safety Employees: The City contributes 9% for EPMC on behalf of the employees.

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- 2. Tier 2: 2010;** These employees are part of the Classic benefit structure, but were hired after the City amended its MOU/Resolutions to remove the Employer Paid Member Contribution (EPMC) as a benefit. This meant the City would no longer contribute the 7% contribution for miscellaneous employees and the 9% for safety employees on behalf of the employee and rather the amount would be deducted from employees' paychecks.
- a. Miscellaneous Employees:** EPMC benefit began being removed from the various MOU/Resolutions, creating this Tier, around August 2010. Since this benefit was in multiple MOU/Resolutions this process was completed around February 2011.
 - b. Safety Employees:** EPMC benefit began being removed from the various MOU/Resolutions, creating this Tier, around March 2011. Since this benefit was in multiple MOU/Resolutions this process was completed around January 2012.
- 3. Tier 3: PEPRRA;** This group was created in January 2013 as a result of Pension Reform legislation at the state level and created an entirely new benefit structure. Employees in this group have a different retirement age, contribute 50% of the normal cost of the pension plan, and have their retirement benefit calculated using the highest three-year period of CalPERS eligible compensation. Further, there are reduced CalPERS eligible compensation limits. These amounts are typically adjusted annually. Additionally, there are two sub-tiers within the safety plan: 90% Industrial Disability Retirement (IDR) and 50% Industrial Disability Retirement (IDR). The 90% IDR benefit started 1/1/2013 and then the 50% IDR benefit took over starting 1/1/14.
- a. Miscellaneous Employees:** For employees participating in social security, the CalPERS eligible compensation limit is set at \$146,042 in 2023. Rather than contribute a fixed 7%, these employees contribute half of the normal cost of this pension plan, which is currently 8.00%.
 - b. Safety Employees:** For employees not participating in social security (safety employees), the CalPERS eligible compensation limit is set at \$175,250 for 2023. Rather than contribute a fixed 9%, these employees contribute half of the normal cost of this pension plan.
 - i.** For Fire Safety employees in the 90% IDR benefit structure, the employee contributes 12% and for those in the 50% IDR benefit structure, the employee contributes 11.25%.
 - ii.** For Police safety employees in the 90% IDR benefit structure, the employee contributes 15.50% and for those in the 50% IDR benefit structure, the employee contributes 13.00%
- 4. Tier 4: Part-time Post-tax;** These are part-time/seasonal employees that work more than 1,000 hours in a given fiscal year and therefore must be enrolled in CalPERS plans. This group and its liability is small compared with Tiers 1 through 3, therefore this Tier will not be included in the subsequent headcount tables.

Depending on the Tier in which an employee falls and the Plan in which they're enrolled, they qualify for one of the below retirement benefit formulas:

Plan	Tier 1: Classic	Tier 2: 2010	Tier 3: PEPRA
Miscellaneous	2% @ 55	2% @ 55	2% @ 62
Fire Safety	3% @ 50	3% @ 50	2.7% @ 57
Police Safety	3% @ 50	3% @ 50	2.7% @ 57

When an individual retires, the above table provides a guideline for the amount of benefit they would receive annually if they retired at the plan's "normal" retirement age. CalPERS has a sliding scale for those that retire earlier/later. An employee would take their CalPERS eligible compensation (either highest 1- or 3-year period depending on plan up to the Tier limit) and multiply that against their respective percentage multiplier (i.e. 2%, 3%, 2.7%) and then multiply that against their years of service with CalPERS. As a simple example, this would determine their benefit under the CalPERS system. There are many different considerations that would affect the end result including: service in different cities, exact age, years of service, or death benefit selected.

History

In the late 80's and 90's CalPERS' investment returns were very strong, resulting in most plans accumulating more assets than their plan liabilities. By 1999, the CalPERS system reached its peak funded status where plan assets climbed to 128% of plan liabilities. Since investment earnings offset employer plan costs, the plan benefits appeared to be relatively inexpensive. Senate bill (SB) 400 and assembly bill (AB) 616 provided employers the ability to significantly enhance pension benefit levels to both safety and miscellaneous plans. Many local agencies rushed to enhance benefit levels, seemingly for free since plan assets exceeded plan liabilities. Any remaining agencies that had not increased benefits quickly felt pressure from bargaining units that argued their agency needed to follow suit, in order to remain competitive in attracting and retaining employees or lose out to surrounding communities. Agency after agency increased pension benefit levels to keep pace with their neighboring communities.

Subsequent market corrections and recessions revealed that the benefit enhancements were in fact not free and were prohibitively expensive. At its peak, the expected average annual return or discount rate was 8.75% and was supported by historical earnings patterns. Since then, market returns have not supported the previous investment income assumptions. Therefore, pension plan administrators, including CalPERS, have been forced to adjust the discount rate assumption downward, which in turn increases the cost of the promised employee benefit to employers. The current CalPERS discount rate now stands at 6.8%. Even still, as fixed income yields have contracted

significantly, investment portfolio managers are faced with the dilemma of taking on more investment risk or lowering discount rates even further.

Over the last two decades, both experience losses and changes in assumptions have significantly impacted the funded status of the CalPERS pension plans, driving the employer costs to worrisome levels, contributing to pension reform and the current pension crisis. In 2012, the California legislature passed the Public Employees' Pension Reform Act (PEPRA), championed by former Gov. Jerry Brown. PEPRA took effect January 1, 2013 and places limits on the level of pension benefits as described earlier in this section. While this reform is significant, due to a provision in the California constitution often referred to as the "California Rule," the PEPRA limitation only applies to employees hired after January 1, 2013 AND are either new to the pension system or had a break in service in excess of 6 months. Therefore, the impact of PEPRA will provide employers significant relief, however it will take many years to fully recognize. As shown in the forthcoming discussion, after nearly a decade since implementation, 48% of the City's employees fall in the PEPRA group.

Looking Ahead

The City continues to save money as employees shift out of Tier 1, which is the most expensive plan to the City and into Tier 3, which better shares costs between employer and employee and has a reduced benefit structure. The subsequent table shows a summary headcount of employees across the different plans and tiers. When comparing this table to the table four years ago, we see positive movement. Citywide, the percentage of employees in Tier 3 has grown from 33% in 2019 to 48% in 2023. Further, the percentage of employees in Tier 1 has shrunk from 58% in 2019 to 43% in 2023. Finally, the employee count has reduced to its lowest levels in the last four years and as the positions that are still budgeted get filled this will further shift the weighting away from the Tier I category. This continued shift from the higher cost Tier 1 plan to the lower cost Tier 3 plan will reduce the percentage of the budget utilized to fund CalPERS costs (all other factors equal).

Breakdown by Headcount

Plan	Tier 1: Classic	Tier 2: 2010	Tier 3: PEPRA	Total
Miscellaneous	317	81	472	870
Fire Safety	76	3	44	123
Police Safety	105	11	49	165
Total	498	95	565	1,158

Breakdown by Percentage

Plan	Tier 1: Classic	Tier 2: 2010	Tier 3: PEPRA	Total
Miscellaneous	36%	9%	54%	100%
Fire Safety	62%	2%	36%	100%
Police Safety	64%	7%	30%	100%
Total	43%	8%	48%	

While these shifts have improved the trajectory of the City's pension costs compared to if these new tiers were not created, the trend in pension costs continued to rise over the years. To address this trend, in October of 2020 the City refunded \$338.4 million of its UAL to both lower the peak and help smooth its UAL payments. At the time, the City had \$497 million in unfunded liability. This additional payment of \$338.4 million from the 2020 LRB proceeds plus the Fiscal Year 2021 planned UAL contribution was estimated to increase the City's CalPERS funded level from approximately 71.4% to 92% across the three plans, before accounting for CalPERS returns. On top of this payment, CalPERS earned a 21.3% return on investments over the course of Fiscal Year 2020-21, which set the funded status at 104%. It is important to note that this high return triggered a reduction in the CalPERS discount rate from 7.0% to 6.8%. Despite this reduction, the impact of the returns outweighed the negative effect of the discount rate in future years.

The additional payment for the City's UAL, coupled with the low interest rates with the 2020 Lease Revenue Bonds have provided beneficial relief in FY23-24. While this is beneficial, CalPERS underperformed in Fiscal Year 2021-22, with a 6.1% loss, which will have an adverse effect on rates beginning in FY24-25. Staff will continue to monitor these trends and reflect in 10-year projections when realized and appropriate.

CalPERS Cost

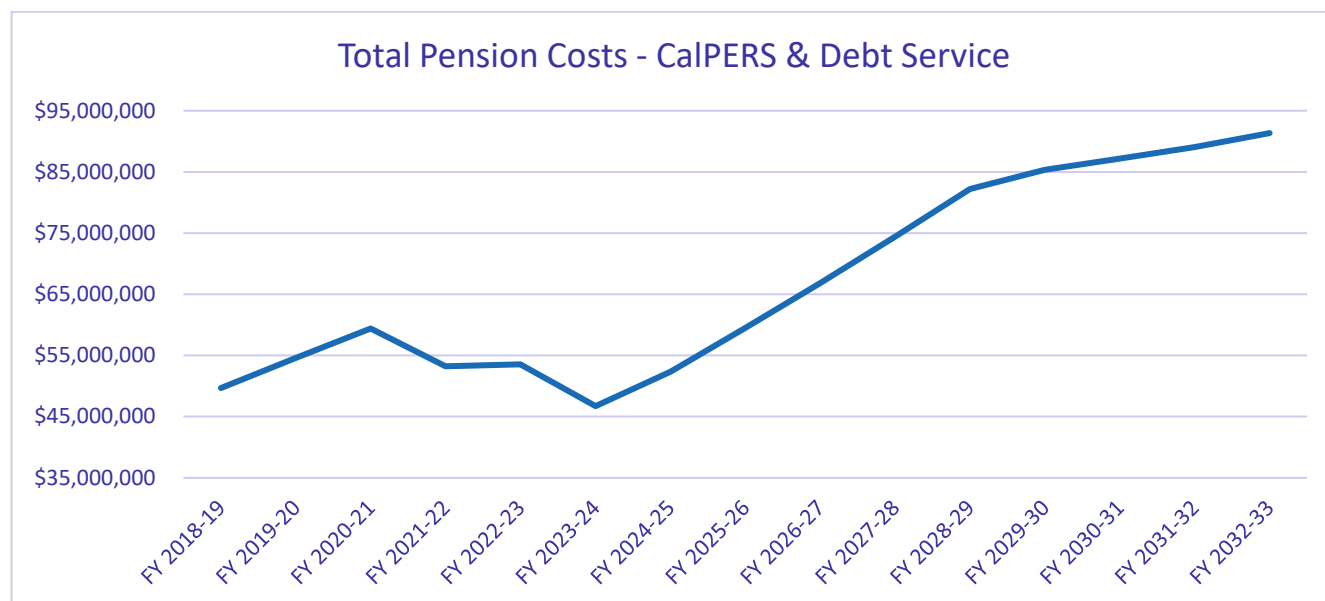
Plan	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
PERS Costs	\$ 49,682,155	\$ 54,590,634	\$ 59,419,898	\$ 35,387,769	\$ 35,202,354	\$ 27,885,103	\$ 33,011,355

2020 LRB Debt Service Costs

Plan	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Debt Costs	\$ -	\$ -	\$ -	\$ 17,854,361	\$ 18,337,743	\$ 18,832,766	\$ 19,341,206

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Total Pension Costs - CalPERS & Debt Service	\$ 49,682,155	\$ 54,590,634	\$ 59,419,898	\$ 53,242,130	\$ 53,540,097	\$ 46,717,869	\$ 52,352,561

Note: Fiscal Year 2021 Actual figures exclude the \$338,433,066 additional discretionary payment made to paydown a portion of the City's UAL from the proceeds of the 2020 Lease Revenue Bonds since this was a one-time payment.



As shown above, the City's pension related costs have declined, and at least at the moment, peaked in Fiscal Year 2020-21. The resulting outcome of the 2020 Lease Revenue Bonds has provided some citywide relief for budgets. In thinking forward, the impacts of the 21.3% rate of return in Fiscal Year 2020-21, coupled with the reduction in discount rate (7% to 6.8%), will be reflected in the FY23-24 budget. The anticipated underperformance in Fiscal Year 2021-22 will be reflected in the FY24-25 budget and beyond.

With the City saving on its pension costs in the near term, the City is budgeted to set aside an additional \$22.3 million in FY23-24 and \$16.7 million in FY24-25 in a Section 115 Trust to fund future increases in CalPERS costs. The contribution amount will be updated annually based on funding

availability and projected future CalPERS costs, while always ensuring 20% of the 2020 LRB UAL cost savings is set aside as a minimum each year. It is anticipated the City will need to draw on these resources in the current 10-year projection model to smooth the growth in pension costs resulting from recent CalPERS underperformance. As of Fiscal Year 2022-23, the City's CalPERS and CalPERS related debt costs are estimated to be 15.4% of the City's General Fund–Operating Fund's budget. The City continues to monitor CalPERS performance in order to estimate impacts out 30 years and incorporate these amounts in our 10-year projection models.



REVENUES

Revenues

Summary by Fund

Fund Name	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
General Fund - Operating Fund	566,798,013	247,019,454	271,369,162	271,197,616	279,478,068	(171,546)	-0.1%	8,280,452	3.1%
General Fund - Measure SST	-	-	17,550,521	22,942,288	23,561,804	5,391,767	30.7%	619,516	2.7%
General Fund - Rest/Assigned	2,297,117	3,900,269	5,444,841	25,757,905	20,110,744	20,313,064	373.1%	(5,647,161)	-21.9%
General Fund - Unassigned	7,500,000	-	-	4,802,423	2,731,922	4,802,423	0.0%	(2,070,501)	-43.1%
AQMD Fund	256,218	141,613	203,842	208,296	214,545	4,454	2.2%	6,249	3.0%
Debt Service Fund	393,885,656	19,097,306	22,098,251	22,593,178	23,107,338	494,927	2.2%	514,160	2.3%
HOME Investment Partnership	-	-	628,346	510,196	510,196	(118,150)	-18.8%	-	0.0%
Inmate Welfare Fund	-	-	10,000	-	-	(10,000)	-100.0%	-	0.0%
Meadow Park Parking Lot District	33,361	30,010	41,018	32,500	32,500	(8,518)	-20.8%	-	0.0%
Low Mod Fund	97,251	91,468	1,279,610	90,000	90,000	(1,189,610)	-93.0%	-	0.0%
Section 8 Housing	6,983,258	6,867,691	7,928,184	7,298,184	7,517,130	(630,000)	-7.9%	218,946	3.0%
Street Lighting Fund	2,731,993	2,428,066	1,628,970	1,628,970	1,628,970	-	0.0%	-	0.0%
Vanpool Fund	123,030	137,452	264,997	228,030	232,252	(36,967)	-13.9%	4,222	1.9%
Airport Fund	16,531,183	20,107,973	23,364,106	17,024,729	17,271,003	(6,339,377)	-27.1%	246,274	1.4%
Sanitation Fund	18,217,038	17,818,178	15,680,878	16,156,401	16,281,458	475,523	3.0%	125,057	0.8%
Sewer Fund	8,025,561	7,460,681	6,165,910	8,313,366	8,563,349	2,147,456	34.8%	249,983	3.0%
Transit Fund	40,454,748	35,621,601	45,232,700	37,254,922	37,226,166	(7,977,778)	-17.6%	(28,756)	-0.1%
Water Fund	53,785,443	51,617,762	52,170,884	54,827,481	54,939,611	2,656,597	5.1%	112,130	0.2%
Fleet Services Fund	8,879,788	6,176,487	9,628,182	12,121,697	12,971,651	2,493,515	25.9%	849,954	7.0%
Self-Insurance Fund	14,068,155	23,575,399	17,347,600	20,668,500	22,725,450	3,320,900	19.1%	2,056,950	10.0%
Redevelopment Agency Fund	3,380,708	4,248,716	4,196,768	4,196,768	4,310,081	-	0.0%	113,313	2.7%
	\$ 1,144,048,521	\$ 446,340,126	\$ 502,234,770	\$ 527,853,450	\$ 533,504,238	\$ 25,618,680	5.1%	\$ 5,650,788	1.1%

The citywide revenue budget is projected to **increase by \$25.6 million** in FY23-24, and an **increase of \$5.7 million** is anticipated for FY24-25. For FY23-24, the increase of \$25.6 million is driven by the following factors:

- The **General Fund – Measure SST Fund** is expected to **increase by \$5.4 million**. In addition to this being the first full year of receipts from Measure SST (effective October 1, 2022), this budget increase is also the result of revenue trends exceeding original projections for this fund.
- The **General Fund – Restricted/Assigned Fund** is anticipated to **increase by \$20.3 million**. This is due to an increased transfer of \$20.4 million to the City’s CEPPT Fund (pension prefunding trust), an increased transfer of \$950,000 to the City’s Radio Replacement Fund, and the elimination of an \$875,000 transfer to the City’s Fire Apparatus Fund.
- The **General Fund – Unassigned Fund (Reserve Fund)** is projected to **increase by \$4.8 million** to continue efforts in rebuilding reserves and improving the City’s financial resiliency.
- The **Sewer Fund** is expected to **increase by \$2.1 million** due to a recent series of annual rate increases for wastewater (sewer) discharge fees approved by Council through the Proposition 218 process. Beginning January 2023, sewer discharge rates increased by 22% and will be adjusted annually by 3% through December 2027. Since the FY22-23 revenue

budget did not include any of these rate changes, this budget change represents the newly adjusted revenue base.

- The **Water Fund** is anticipated to **increase by \$2.6 million**, largely a result of increased water consumption at the refinery.
- The **Fleet Services Fund** is projected to **increase by \$2.5 million**. This is due to increased labor rate charges totaling \$2.0 million, an increased contribution of \$1.5 million to the City's Vehicle Replacement Fund for future vehicle purchases, and the elimination of a \$1.0 million transfer from the General Fund.
- The **Self-Insurance Fund** is expected to **increase by \$3.3 million** due to increased contributions necessary to maintain adequate funding levels for settlements and workers compensation claims cases. As shown in the Key Performance Indicators (**Self-Insurance Funded Status**), this fund has been inadequately budgeted for historically, requiring additional increases in subsequent budget cycles.
- The **Airport Fund** is anticipated to **decrease by \$6.3 million** after receiving one-time funding from lease revenues during FY22-23 which will not recur in subsequent budget cycles.
- The **Transit Fund** is projected to **decrease by \$8.0 million** due to FY22-23 being the final year of receiving one-time COVID-19 grant funding which will not recur in subsequent budget cycles.

Summary by Classification

Revenues	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Taxes	174,949,183	197,270,248	223,014,896	238,062,458	245,132,588	15,047,562	6.7%	7,070,130	3.0%
Licenses, Fees and Permits	4,438,357	5,439,913	4,923,246	5,773,777	5,946,990	850,531	17.3%	173,213	3.0%
Fines, Forfeitures and Penalties	648,759	740,948	735,144	760,672	779,688	25,528	3.5%	19,016	2.5%
Use of Money and Property	7,921,376	36,385,199	31,597,724	36,473,693	37,783,296	4,875,969	15.4%	1,309,603	3.6%
Intergovernmental	39,217,687	40,222,592	49,066,425	40,237,363	40,400,242	(8,829,062)	-18.0%	162,879	0.4%
Other Revenues	15,386,637	17,359,423	1,249,424	545,590	298,993	(703,834)	-56.3%	(246,597)	-45.2%
Charges for Services	99,389,444	108,152,092	139,451,153	143,210,153	147,057,174	3,759,000	2.7%	3,847,021	2.7%
Operating Transfers In	412,667,315	39,019,417	52,006,989	62,599,975	55,910,375	10,592,986	20.4%	(6,689,600)	-10.7%
Other Financing Sources	389,429,766	1,750,293	189,768	189,768	194,892	-	0.0%	5,124	2.7%
Total Revenues	\$ 1,144,048,524	\$ 446,340,125	\$ 502,234,769	\$ 527,853,449	\$ 533,504,238	\$ 25,618,680	5.1%	\$ 5,650,789	1.1%

The revenue classifications below are the primary drivers for the projected **increase of \$25.6 million** in FY23-24:

- The **Taxes** classification is expected to **increase by \$15.0 million**. This is the combined result of increased Property Tax, Utility Users' Tax, and Business License Tax revenues. In addition, FY23-24 will be the first full year of receipts from Measure SST (effective October 1, 2022).

- The **Use of Money and Property** classification is expected to **increase by \$4.9 million** due to increases in the federal funds rate which have yielded higher investment earnings totaling \$4.2 million.
- The **Intergovernmental** classification is expected to **decrease by \$8.8 million**. This is the net result of increases from Measure R of \$469,000, increases from Measure M of \$471,000, increases from the Transportation Development Act of \$1.2 million, and a decrease of \$10.2 million from one-time COVID-19 grant funding in the City's Transit Fund which will not recur in subsequent budget cycles.
- The **Charges for Services** classification is expected to **increase by \$3.8 million** from various changes across multiple funds. This includes a \$1.6 million increase in the General Fund; a \$2.0 million increase in the Water Fund; a \$1.8 million increase in the Sewer Fund; a \$3.3 million increase in the Self-Insurance Fund; a \$2.0 million increase in the Fleet Services Fund, and a \$6.3 million decrease in the Airport Fund.
- The **Operating Transfers In** classification is expected to **increase by \$10.6 million**, driven by various changes across multiple funds. This includes a \$20.4 million increase in the City's CEPPT Fund, a \$4.8 million increase in the City's Reserve Fund, and a combined \$12.0 million decrease in one-time transfers from the Airport Fund and Measure SST Fund. There were also reductions in the Low Mod Fund of \$1.25 million and \$1.0 million in the Fleet Services Fund from one-time transfers during FY22-23 which will not recur in future budget cycles.

General Fund–Operating Fund by Classification

Revenues	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Taxes	170,493,435	191,931,103	200,180,678	209,861,473	216,204,837	9,680,795	4.8%	6,343,364	3.0%
Licenses, Fees and Permits	4,438,357	5,439,913	4,923,246	5,773,777	5,946,990	850,531	17.3%	173,213	3.0%
Fines, Forfeitures and Penalties	648,759	740,948	735,144	760,672	779,688	25,528	3.5%	19,016	2.5%
Use of Money and Property	2,035,499	1,333,834	4,200,594	4,527,970	4,663,809	327,376	7.8%	135,839	3.0%
Intergovernmental	351,755	598,758	559,241	349,501	356,491	(209,740)	-37.5%	6,990	2.0%
Other Revenues	14,403,628	12,727,547	515,598	105,570	107,682	(410,028)	-79.5%	2,112	2.0%
Charges for Services	10,701,209	19,058,438	21,994,195	23,560,796	24,249,048	1,566,601	7.1%	688,252	2.9%
Operating Transfers In	363,725,370	13,628,387	38,260,466	26,257,857	27,169,523	(12,002,609)	-31.4%	911,666	3.5%
Other Financing Sources	-	1,560,528	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 566,798,012	\$ 247,019,456	\$ 271,369,162	\$ 271,197,616	\$ 279,478,068	\$ (171,546)	-0.1%	\$ 8,280,452	3.1%

The **Taxes**, **Charges for Services**, and **Operating Transfers In** classifications are the primary sources of revenue for the City's General Fund. Additionally, these three classifications account for 96% of the General Fund – Operating Fund revenues. The **Taxes** classification is comprised of the following three major areas: sales and use tax, property tax, and utility users' tax. The **Charges for Services** classification includes user fees charged by city departments such as Community Development, Fire, General Services, and Community Services. Finally, the **Operating Transfers In**

classification represents transfers from the Airport Fund, General Fund – Measure SST Fund, Sanitation Fund, Gas Tax, Measure W, and Prop C to help support the City’s day-to-day operations.

Tax Revenue by Classification

Taxes	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Sales and Use Tax	54,756,028	63,634,583	63,940,625	64,400,972	66,139,798	460,347	0.7%	1,738,826	2.7%
Property Tax	40,891,279	42,087,215	44,427,885	47,137,917	48,648,299	2,710,032	6.1%	1,510,382	3.2%
Property Transfer Tax	1,005,082	1,412,032	1,469,471	828,540	857,539	(640,931)	-43.6%	28,999	3.5%
VLF Swap & Repayment	15,631,754	16,131,699	16,615,651	17,826,057	18,407,187	1,210,406	7.3%	581,130	3.3%
Utility Users Tax	32,521,996	37,379,435	41,207,940	44,465,104	46,243,709	3,257,164	7.9%	1,778,605	4.0%
Business License Tax	9,077,847	9,373,923	8,837,266	10,197,549	10,401,500	1,360,283	15.4%	203,951	2.0%
Occupancy Tax	6,031,651	10,275,248	12,601,755	13,126,729	13,389,265	524,974	4.2%	262,536	2.0%
Franchise Tax	8,668,584	9,226,855	9,328,324	9,831,080	10,008,730	502,756	5.4%	177,650	1.8%
Construction Tax	1,902,424	2,401,910	1,745,904	2,033,484	2,094,488	287,580	16.5%	61,004	3.0%
Oil Severance Tax	6,790	8,203	5,857	14,041	14,322	8,184	139.7%	281	2.0%
Total Taxes	\$ 170,493,435	\$ 191,931,103	\$ 200,180,678	\$ 209,861,473	\$ 216,204,837	\$ 9,680,795	4.8%	\$ 6,343,364	3.0%

As shown in the summary table above, The General Fund’s three core tax revenue sources are **Sales and Use Tax**, **Property Tax** (including Property Transfers and VLF Swap), and **Utility Users’ Tax**. These tax categories typically represent approximately 83% of the tax classification budget and about 64% of the overall General Fund – Operating Fund revenue budget.

Sales and Use Tax

The budget in this classification is projected to **increase by 0.7%** in FY23-24, and an **increase of 2.7%** is anticipated for FY24-25. This classification has experienced extraordinary increases from the waning impacts of the COVID-19 pandemic; however, staff continues to be cautious with forecasting for several reasons. The Federal Reserve’s monetary policy to slow inflation continues to adversely affect short-term borrowing and sales tax revenue trends. As of March 2023, the Federal Reserve increased the Federal Funds Rate to a range of 4.75-5.0% with the possibility of another rate hike after the FOMC meeting in May 2023. Consequently, current Sales and Use Tax revenues are expected to fall below the fiscal year 2022-23 mid-year projections by 0.4% going into fiscal year 2023-24, returning to a more moderate growth rate of 2.7% in fiscal year 2024-25.

As of the latest available data from Q4 2022, the California Department of Tax & Fee Administration reported sales tax revenue growth in the following major industry groups: 6.2% in Autos and Transportation; 10.3% in Restaurants and Hotels; 6.9% in Building and Construction; and 7.0% in Fuel and Service Stations. Conversely, State and County Pool allocations experienced a decrease of 3.5% and Business and Industry experienced a decline of 7.9%. With core inflation above the federal reserve’s target level still a factor in the latest sales tax results, receipts from general consumer goods and specialty, discount department, department, and shoe stores grew significantly. The receipts for building materials, services stations and grocery stores also continued to climb. It is anticipated there will be a flattening in sales, which is reflected in the City’s budget. Auto leases,

home furnishings, convenience stores, heavy industrial/printers, and the state and county pools were challenged in this last quarter offsetting some of the gains. The City of Torrance has a well-diversified mix of sales tax producers with the top 25 generating 43% of sales tax receipts and the top 100 generating 67% of sales tax receipts.

Property Tax, Property Transfer Tax, and VLF Swap & Repayment

The budget in this classification is projected to **increase by 5.2%** in FY23-24, and an **increase of 3.2%** is anticipated for FY24-25. The City's property tax base consists of a healthy mix of residential, commercial, and industrial properties. According to property tax consultants, HdL Coren & Cone, the City's net taxable assessed values grew by 5.4%, increasing from \$34.4 billion to \$36.3 billion in FY22-23 and placing Torrance in the top 10 highest value cities in Los Angeles County (8th). When examining the changes in net taxable assessed values, the largest contributors to this change were the residential and commercial categories. The residential market experienced the highest growth, increasing by 6.1% increase and adding \$1.4 billion in net taxable assessed value. The commercial category experienced the second largest increase of 5.0%, adding \$290 million in net taxable assessed value. Currently, the FY23-24 budget for property tax revenues is anticipated to surpass FY22-23 Mid-Year projections by 4.9%.

Based on the latest available Q1 2023 data, the median sales price of a Torrance single-family detached home was \$1,135,000, a decrease of 4.2% when compared to the median sales price of \$1,185,000 in the same quarter for 2022. During Q2 2022, the median sales price in Torrance hit an all-time high of \$1,295,000, followed by a 12.77% decline in Q3 2022. However, the residential market has since stabilized, with median home sales prices holding steady at \$1,135,000 in both Q4 2022 and Q1 2023. In addition to sales price, property tax revenues are also affected by the number of residential sales transactions. 167 homes were sold during the first quarter of 2022 and 125 homes were sold during the same period in 2023. This is indicative of suppressed buyer demand, translating to a lower number of reassessments under Proposition 13 and adversely impacting property tax revenue trends.

Moreover, the California Legislature approved a property tax swap of Vehicle License Fees (VLF) in 2004 as part of a budget agreement between state and local jurisdictions. The centerpiece of this legislation was the permanent reduction of the VLF rate and more than 90% of the City's Motor License Vehicle Fund was eliminated and replaced by property taxes. In FY23-24, a 7.3% growth is anticipated in this category.

Utility Users' Tax

Utility Users' Tax	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Electricity	14,858,149	17,096,440	19,855,858	20,912,992	21,749,513	1,057,134	5.3%	836,521	4.0%
Gas	3,815,319	4,429,206	5,013,915	5,401,540	5,617,605	387,625	7.7%	216,065	4.0%
Refinery: Co-gen	877,568	581,580	530,230	757,698	788,006	227,468	42.9%	30,308	4.0%
Refinery: Gas	3,897,948	6,004,803	6,537,410	8,304,467	8,636,645	1,767,057	27.0%	332,178	4.0%
Water	3,606,414	3,780,966	3,593,592	4,163,445	4,329,982	569,853	15.9%	166,537	4.0%
Cable	1,683,538	1,738,884	2,258,709	1,575,385	1,638,400	(683,324)	-30.3%	63,015	4.0%
Cellular	1,057,511	1,122,572	1,219,291	1,296,803	1,348,674	77,512	6.4%	51,871	4.0%
Telecom	2,725,552	2,624,983	2,198,935	2,052,774	2,134,884	(146,161)	-6.6%	82,110	4.0%
Total Revenues	\$ 32,521,999	\$ 37,379,434	\$ 41,207,940	\$ 44,465,104	\$ 46,243,709	\$ 3,257,164	7.9%	\$ 1,778,605	4.0%

The UUT budget is projected to **increase by 7.9%** in FY23-24, and an **increase of 4.0%** is anticipated for FY24-25. The City's UUT rate for electricity, telecommunications, gas, and cable is set at 6.5% and water is currently set at 6.0%. In July 2022, a series of annual rate increases for the City's wastewater (sewer) discharge fees were approved by Council through the Proposition 218 process. In January 2023, sewer discharge rates were increased by 22% and will continue to receive a 3% fixed annual adjustment through 2027.

The same process is currently underway to adjust the City's sanitation rates and water rate adjustments are planned in the future. Any approved changes to the City's utility rates for Water will have a direct impact on UUT revenues for the City. It should be noted that the UUT budget does not include any potential rate adjustments, only those which have already been approved. Additionally, while cable and telecom receipts continue to decline due to rising trends in streaming services over traditional cable channels, increases are still anticipated for all other major utilities. The biggest changes are currently expected in electric and gas utility rates and have been incorporated into the UUT budget accordingly. Currently, the FY23-24 budget for UUT revenues is anticipated to surpass FY22-23 Mid-Year projections by 5.7%

Business License Tax

The Business License Tax budget is projected to **increase by 15.4%** in FY23-24, and an **increase of 2.0%** is anticipated for FY24-25. The proposed FY23-24 budget has been re-aligned with actuals and includes additional revenues of \$325,000 due to a recently approved agreement for business license tax recovery and audit services. Annual renewals for approximately 13,700 businesses (including outside contractors) are billed in December, due on January 1, and become delinquent on February 1. Currently, the FY23-24 budget for Business License Tax is anticipated to surpass FY22-23 Mid-Year projections by 5.4%.

Occupancy Tax

The Occupancy Tax budget is projected to **increase by 4.2%** in FY23-24, and an **increase of 2.0%** is anticipated for FY24-25. According to STR Global, an industry leader in hospitality data and

analytics, occupancy rates hovered around 81.2% from March 1, 2022 to February 28, 2023, an increase of 7.5% when compared to the same period in the previous year. In addition, the average daily rate per room has increased by \$17.60, going from \$134.64 per night to \$152.24 per night. With the steady return of travel and tourism, the City's occupancy rates are expected to level off after exceeding pre-pandemic levels (FY18-19) during FY22-23. Currently, the FY23-24 budget for Occupancy Tax is anticipated to surpass FY22-23 Mid-Year projections by 2.0%.

Licenses, Fees & Permits

The budget in this classification is projected to **increase by 17.3%** in FY23-24, and an **increase of 3.0%** is anticipated for FY24-25. This revenue source consists primarily of development-related fees such as building, engineering, and fire inspection fees and is expected to normalize in the coming budget cycles. The budget is not reflective of any fee study adjustments approved at the City Council's public hearing on April 25, 2023 and will be adjusted in future budget revisions. Currently, the FY23-24 budget for this classification is anticipated to surpass FY22-23 Mid-Year projections by 3.0%.

Use of Money and Property

The Use of Money and Property budget is projected to **increase by 7.8%** in FY23-24, and an **increase of 3.0%** is anticipated for FY24-25. This revenue source includes investment income from interest earnings, rents, and other assets. The primary drivers for the projected increase in FY23-24 include growth in reserve balances and higher investment earnings from increases in the federal funds rate. However, these positive trends will be partially offset by a decline in interest income related to advances between the General Fund and the Redevelopment Agency. Currently, the FY23-24 budget for this classification is anticipated to surpass FY22-23 Mid-Year projections by 6.2%.

Fines and Forfeitures

The Fines and Forfeitures budget is projected to **increase by 3.5%** in FY23-24, and an **increase of 2.5%** is anticipated for FY24-25. The Fines and Forfeitures revenue source mainly includes general court fees, traffic fines, and parking fines. In April 2021, the City resumed enforcement of street sweeping and permit parking violations after temporarily suspending the issuance of citations during the COVID-19 pandemic. While the City has begun to see incremental increases, this revenue classification remains below pre-pandemic levels due to challenges in staffing levels. Currently, the FY23-24 budget for this classification is anticipated to surpass FY22-23 Mid-Year projections by 2.5%.

Charges for Services

Charges for Services	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
City Manager	128,356	225,894	888,099	846,330	852,561	(41,769)	-4.7%	6,231	0.7%
City Clerk	5,756	9,888	16,004	4,430	4,563	(11,574)	-72.3%	133	3.0%
Community Development	4,759,976	5,125,144	5,316,824	6,174,902	6,360,149	858,078	16.1%	185,247	3.0%
General Services	84,899	874,461	907,220	1,222,919	1,259,607	315,699	34.8%	36,688	3.0%
Non-Departmental	15,639	16,452	22,175	14,899	15,346	(7,276)	-32.8%	447	3.0%
Police	240,658	279,573	247,341	434,468	447,501	187,127	75.7%	13,033	3.0%
Fire	3,397,471	8,089,610	9,312,233	10,084,175	10,387,291	771,942	8.3%	303,116	3.0%
Public Works	215,950	225,507	268,044	242,177	249,442	(25,867)	-9.7%	7,265	3.0%
Community Services	1,852,503	4,211,909	5,016,255	4,536,496	4,672,589	(479,759)	-9.6%	136,093	3.0%
Total Revenues	\$ 10,701,208	\$ 19,058,438	\$ 21,994,195	\$ 23,560,796	\$ 24,249,049	\$ 1,566,601	7.1%	\$ 688,253	2.9%

The Charges for Services budget is projected to **increase by 7.1%** in FY23-24, and an **increase of 2.9%** is anticipated for FY24-25. It should also be noted that the budget is not reflective of any fee study adjustments approved at the City Council's public hearing on April 25, 2023 which will be incorporated in future budget amendments. Currently, the FY23-24 budget for this classification is anticipated to surpass FY22-23 Mid-Year projections by 8.6%.

This revenue source represents general government charges for an array of services such as construction related fees (e.g. plan checks), Green Building Code fees, inspection fees, Emergency Transport Fees, and various participant fees (Community Services and General Services). The major changes in this revenue category for FY23-24 are driven by the following factors:

- **City Manager** – The department's revenue budget is anticipated to decrease by 4.7% in FY23-24. This is due to a new agreement negotiated with the Refinery in FY22-23 to provide additional funding for emergency notification requirements and to support Interactive Communications Officers in carrying out other related functions. However, revenue shortfalls in bus shelter advertising continue to be a challenge and the department's FY23-24 budget has been adjusted to reflect this accordingly.
- **Community Development** – The department's revenue budget is anticipated to increase by 16.1% in FY23-24 due to a spike in development-related activity.
- **Community Services** – The department's revenue budget is anticipated to decrease by 9.6% in FY23-24. While most programs have returned since the onset of the COVID-19, overall revenues continue to lag. Based on a recent trend analysis, the budget in this classification is projected to operate at 81% of pre-pandemic levels.
- **General Services** – The department's revenue budget is anticipated to increase by 34.8% in FY23-24. This is the first budget cycle that this classification is expected to exceed pre-pandemic levels (FY18-19) due to strong activity at the Cultural Arts Center and other space rentals.

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- **Fire** – The department’s revenue budget is anticipated to increase by 8.3% in FY23-24. This is the result of the City’s participation in the enhanced PP-GEMT program. In addition, FY23-24 will be the first full year of PP-GEMT program participation, prompting increased revenues for the department.



EXPENDITURES

Expenditures

Summary by Fund

Fund Name	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
General Fund - Operating Fund	543,474,044	223,993,424	264,381,277	271,197,616	279,478,068	6,816,339	2.6%	8,280,452	3.1%
General Fund - Measure SST	-	-	17,550,521	22,942,288	23,561,804	5,391,767	30.7%	619,516	2.7%
General Fund - Rest/Assigned	835,962	1,335,765	3,752,667	1,842,085	2,454,913	(1,910,582)	-50.9%	612,828	33.3%
General Fund - Unassigned	10,397,177	146,776	-	-	-	-	0.0%	-	0.0%
AQMD Fund	151,442	108,160	203,842	175,185	179,680	(28,657)	-14.1%	4,495	2.6%
Debt Service Fund	395,294,274	20,303,542	22,098,251	22,593,178	23,107,338	494,927	2.2%	514,160	2.3%
HOME Investment Partnership	-	-	628,346	-	-	(628,346)	-100.0%	-	0.0%
Inmate Welfare Fund	-	-	10,000	-	-	(10,000)	-100.0%	-	0.0%
Meadow Park Parking Lot District	25,959	25,672	41,018	24,093	31,359	(16,925)	-41.3%	7,266	30.2%
Low Mod Fund	145,479	63,981	72,337	61,780	64,333	(10,557)	-14.6%	2,553	4.1%
Section 8 Housing	6,800,150	6,708,014	7,928,184	7,172,191	7,413,742	(755,993)	-9.5%	241,551	3.4%
Street Lighting Fund	2,760,097	2,428,066	1,628,970	1,628,970	1,628,970	-	0.0%	-	0.0%
Vanpool Fund	123,030	137,452	264,997	228,030	232,252	(36,967)	-13.9%	4,222	1.9%
Airport Fund	15,223,287	14,738,399	24,007,035	14,456,513	18,259,663	(9,550,522)	-39.8%	3,803,150	26.3%
Sanitation Fund	17,652,162	16,075,488	15,936,198	18,880,560	19,181,393	2,944,362	18.5%	300,833	1.6%
Sewer Fund	8,060,773	7,255,005	6,175,601	7,817,954	7,587,867	1,642,353	26.6%	(230,087)	-2.9%
Transit Fund	37,765,206	27,424,121	38,677,289	38,336,887	40,146,121	(340,402)	-0.9%	1,809,234	4.7%
Water Fund	46,866,042	44,797,978	52,114,173	58,758,977	55,873,827	6,644,804	12.8%	(2,885,150)	-4.9%
Fleet Services Fund	8,117,285	5,418,065	6,907,859	8,317,849	8,630,389	1,409,990	20.4%	312,540	3.8%
Self-Insurance Fund	14,738,196	29,169,761	26,584,985	28,494,290	30,258,226	1,909,305	7.2%	1,763,936	6.2%
Redevelopment Agency Fund	1,888,685	1,846,552	1,747,995	1,700,703	1,626,953	(47,292)	-2.7%	(73,750)	-4.3%
	1,110,319,250	401,976,221	490,711,545	504,629,149	519,716,898	\$ 13,917,604	2.8%	\$ 15,087,749	3.0%

The summary table above shows the citywide expenditure budget by fund. The citywide expenditure budget is projected to **increase by \$13.9 million** in FY23-24, and an **increase of \$15.1 million** is anticipated for FY24-25. For FY23-24, the increase of \$13.9 million is primarily driven by the following factors:

- The **General Fund–Operating Fund** is projected to **increase by \$6.8 million**. This is the result of several adjustments made to non-discretionary lines including increases to vehicle replacement charges, increases to vehicle labor charges, increases to utility budgets, and increases to Self-Insurance contributions. Further expenditure details for this fund are provided in the **Departments** section of this document.
- The **General Fund–Measure SST Fund** is expected to **increase by \$5.4 million**. In addition to this being the first full year of receipts from Measure SST (effective October 1, 2022), this budget increase is also the result of revenue trends exceeding original projections for this fund. Further expenditure details for this fund are provided in the **Departments** section of this document.
- The **General Fund–Restricted/Assigned Fund** is anticipated to **decrease by \$1.9 million**. This is primarily due to the consolidation of the Fire Apparatus Fund with the Fleet Services Fund for maintaining vehicle replacement balances consistent with all other non-enterprise funds.

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- The **Airport Fund** is projected to **decrease by \$9.6 million**. This is due to reduced contributions to the General Fund, reduced contributions to the Airport's Capital Improvement Program, and one-time funding received from lease revenues during FY22-23 which will not recur in subsequent budget cycles.
 - The **Sanitation Fund** is expected to **increase by \$2.9 million**. This is the result of increased contributions to the Self-Insurance Fund and increased transfers to the General Fund to partially support the cost of the City's residential street sweeping program.
 - The **Sewer Fund** is anticipated to **increase by \$1.6 million** after budgeting for depreciation of the City's capital assets as well as increased contributions to Sewer's Capital Improvement Program.
 - The **Water Fund** is anticipated to **increase by \$6.6 million** after budgeting for depreciation of the City's capital assets as well as increased contributions to Water's Capital Improvement Program.
 - The **Fleet Services Fund** is projected to **increase by \$1.4 million**. This is the result of increased contributions to the City's General Fund to update the fund's share of total market rate lease charges and the implementation of a new indirect cost rate allocation beginning in FY23-24.
 - The **Self-Insurance Fund** is expected to **increase by \$1.9 million** due to increased insurance premiums and the implementation of a new indirect cost rate allocation beginning in FY23-24.

Summary by Classification

Expenditures	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Salaries and Employee Benefits	563,195,967	213,075,106	235,669,091	237,594,602	248,745,846	1,925,511	0.8%	11,151,244	4.7%
Salaries and Benefits Reimbursements	(7,431,565)	(1,472,757)	(51,294)	(1,446,294)	(1,446,294)	(1,395,000)	2719.6%	-	0.0%
Reimbursements-Indirect Costs	(7,610,489)	(7,114,694)	(7,813,890)	(8,557,193)	(8,792,066)	(743,303)	9.5%	(234,873)	2.7%
Materials, Supplies & Maintenance	24,683,031	26,335,767	34,339,055	38,455,462	39,903,459	4,116,407	12.0%	1,447,997	3.8%
Materials Reimbursements	(3,527,053)	(1,036,266)	(466,351)	(648,570)	(648,570)	(182,219)	39.1%	-	0.0%
Parts, Fuel & Lubricants Inventory Purchases	3,116,303	3,932,554	4,409,883	4,542,179	4,678,445	132,296	3.0%	136,266	3.0%
Parts, Fuel & Lubricants Contra	(3,116,303)	(3,932,554)	(4,409,883)	(4,542,179)	(4,678,445)	(132,296)	3.0%	(136,266)	3.0%
Stored Water Rights Inventory Purchases	411,611	430,781	457,960	471,699	485,850	13,739	3.0%	14,151	3.0%
Stored Water Rights Contra	(411,611)	(430,781)	(457,960)	(471,699)	(485,850)	(13,739)	3.0%	(14,151)	3.0%
Professional/Contract Services & Utilities	19,520,953	23,468,781	29,426,528	32,614,069	33,996,115	3,187,541	10.8%	1,382,046	4.2%
Water Supply Costs	26,301,940	28,323,919	33,787,000	33,350,000	36,183,610	(437,000)	-1.3%	2,833,610	8.5%
Training, Travel & Membership Dues	636,910	956,939	1,666,983	1,767,770	1,850,691	100,787	6.0%	82,921	4.7%
Depreciation and Amortization	7,295,637	6,549,624	8,698,453	11,205,164	11,904,452	2,506,711	28.8%	699,288	6.2%
Liabilities, Settlements & Insurance	9,784,785	20,917,952	17,865,823	18,902,450	20,599,428	1,036,627	5.8%	1,696,978	9.0%
Interdepartmental Charges	15,085,906	15,620,625	25,974,040	30,327,133	32,618,666	4,353,093	16.8%	2,291,533	7.6%
Debt Service	9,461,086	43,151,329	48,308,773	49,982,950	51,017,519	1,674,177	3.5%	1,034,569	2.1%
Debt Service Reimbursements	(1,811,273)	(19,728,483)	(20,275,021)	(21,547,281)	(22,159,289)	(1,272,260)	6.3%	(612,008)	2.8%
Other Expenditures	254,781	299,838	301,294	255,000	260,000	(46,294)	-15.4%	5,000	2.0%
Capital Acquisitions	2,312,443	3,685,302	14,344,206	7,849,080	8,449,080	(6,495,126)	-45.3%	600,000	7.6%
Asset Contra Account	(3,596,418)	(2,316,848)	(13,035,553)	(6,174,417)	(6,174,417)	6,861,136	-52.6%	-	0.0%
Other Operating Transfers Out	409,535,559	42,384,405	73,533,550	72,260,364	64,976,575	(1,273,186)	-1.7%	(7,283,789)	-10.1%
Bad Debts and Other Losses	5,582,823	8,875,680	8,438,860	8,438,860	8,438,860	-	0.0%	-	0.0%
Other Financing Uses	40,644,225	-	-	-	-	-	0.0%	-	0.0%
Total Expenditures	\$ 1,110,319,248	\$ 401,976,219	\$ 490,711,547	\$ 504,629,149	\$ 519,723,665	\$ 13,917,602	2.8%	\$ 15,094,516	2.9%

The summary table above shows citywide expenditure budget by classification. For FY23-24, the **increase of \$13.9 million** is driven by the following factors:

- The **Salaries and Employee Benefits** classification is expected to **increase by \$1.9 million**, a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements.
- The **Salaries and Benefits Reimbursements** classification is expected to **decrease by \$1.9 million** due to a change in accounting for potential Strike Team Reimbursements from the Fire Department.
- The **Materials, Supplies & Maintenance** classification is expected to **increase by \$4.1 million**, a result of labor rate charges and increased contributions to the City's Vehicle Replacement Fund for future vehicle purchases. Further expenditure details for this classification are provided in the **Departments** section of this document.
- The **Professional/Contract Services & Utilities** classification is expected to **increase by \$3.2 million**, primarily due to increases in utility services costs. Further expenditure details for this classification are provided in the **Departments** section of this document.
- The **Interdepartmental Charges** classification is expected to **increase by \$2.1 million**, a result of increased contributions to the City's Self-Insurance Fund which are necessary to maintain adequate funding levels for settlements and workers compensation claims cases.

General Fund–Operating Fund by Department

Expenditures	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Council	484,093	390,767	458,713	580,611	590,420	121,898	26.6%	9,809	1.7%
City Manager	7,686,987	5,142,705	6,166,778	6,435,019	6,726,422	268,241	4.3%	291,403	4.5%
City Attorney	4,675,147	2,557,846	2,815,838	3,108,065	3,267,412	292,227	10.4%	159,347	5.1%
City Clerk	1,717,814	1,661,122	1,102,135	1,359,553	1,605,461	257,418	23.4%	245,908	18.1%
City Treasurer	579,324	304,785	364,841	343,089	359,730	(21,752)	-6.0%	16,641	4.9%
Finance	9,201,970	5,217,200	5,989,884	6,251,434	6,497,041	261,550	4.4%	245,607	3.9%
Human Resources	2,841,996	1,800,665	2,192,036	2,344,355	2,462,952	152,319	6.9%	118,597	5.1%
Civil Service	915,161	537,116	629,901	701,131	732,495	71,230	11.3%	31,364	4.5%
Community Development	15,972,756	7,525,887	9,815,615	9,643,676	9,946,176	(171,939)	-1.8%	302,500	3.1%
CIT	9,632,101	7,640,299	9,086,637	8,782,387	9,333,681	(304,250)	-3.3%	551,294	6.3%
General Services	10,137,885	8,581,551	10,142,744	10,429,353	10,945,355	286,609	2.8%	516,002	4.9%
Non-Departmental	17,877,381	11,704,738	21,788,618	23,255,646	18,138,017	1,467,028	6.7%	(5,117,629)	-22.0%
Police	262,256,435	85,006,137	94,207,613	95,374,931	100,949,618	1,167,318	1.2%	5,574,687	5.8%
Fire	149,654,245	52,490,598	57,126,181	59,244,203	62,356,757	2,118,022	3.7%	3,112,554	5.3%
Public Works	18,157,102	12,763,676	18,179,445	19,211,946	20,411,489	1,032,501	5.7%	1,199,543	6.2%
Community Services	31,683,647	20,668,334	24,314,298	24,132,217	25,155,042	(182,081)	-0.7%	1,022,825	4.2%
Total Expenditures	\$ 543,474,044	\$ 223,993,426	\$ 264,381,277	\$ 271,197,616	\$ 279,478,068	\$ 6,816,339	2.6%	\$ 8,280,452	3.1%

The summary table above shows the General Fund–Operating Fund expenditure budget by department. The General Fund–Operating Fund expenditure budget is projected to **increase by \$6.8 million** in FY23-24, and an **increase of \$8.3 million** is anticipated for FY24-25. Further details explaining the increase of \$6.8 million in FY23-24 are provided in the **Departments** section of this document.

General Fund–Operating Fund by Classification

Expenditures	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Salaries and Employee Benefits	506,983,879	178,895,239	195,565,210	196,422,005	205,943,912	856,795	0.4%	9,521,907	4.8%
Salaries and Benefits Reimbursements	(7,363,682)	(1,456,150)	(51,294)	(1,446,294)	(1,446,294)	(1,395,000)	2719.6%	-	0.0%
Reimbursements-Indirect Costs	(7,610,489)	(7,114,694)	(7,813,890)	(8,557,193)	(8,792,066)	(743,303)	9.5%	(234,873)	2.7%
Materials, Supplies & Maintenance	10,728,193	12,167,680	16,412,129	20,381,361	21,200,464	3,969,232	24.2%	819,103	4.0%
Materials Reimbursements	(3,061,504)	(767,891)	(221,351)	(353,570)	(353,570)	(132,219)	59.7%	-	0.0%
Professional/Contract Services & Utilities	10,463,792	14,294,910	16,439,135	19,364,363	20,186,891	2,925,228	17.8%	822,528	4.2%
Training, Travel & Membership Dues	569,434	854,259	1,372,353	1,431,251	1,504,175	58,898	4.3%	72,924	5.1%
Liabilities, Settlements & Insurance	1,174,726	500,358	967,843	169,581	169,582	(798,262)	-82.5%	1	0.0%
Interdepartmental Charges	5,495,226	5,394,653	12,698,048	14,832,181	16,765,012	2,134,133	16.8%	1,932,831	13.0%
Debt Service	2,048,047	19,346,091	22,360,355	22,855,281	23,369,441	494,926	2.2%	514,160	2.2%
Debt Service Reimbursements	-	(17,854,361)	(18,337,744)	(18,832,766)	(19,341,206)	(495,022)	2.7%	(508,440)	2.7%
Other Expenditures	4,781	-	-	-	-	-	0.0%	-	0.0%
Capital Acquisitions	389,899	2,090,644	405,774	340,774	340,774	(65,000)	-16.0%	-	0.0%
Other Operating Transfers Out	23,651,525	17,642,635	24,583,711	24,589,643	19,929,953	5,932	0.0%	(4,659,690)	-18.9%
Bad Debts and Other Losses	216	51	1,000	1,000	1,000	-	0.0%	-	0.0%
Total Expenditures	\$ 543,474,043	\$ 223,993,424	\$ 264,381,279	\$ 271,197,617	\$ 279,478,068	\$ 6,816,338	2.6%	\$ 8,280,451	3.1%

The summary table above shows the General Fund–Operating Fund expenditure budget by classification. The General Fund–Operating Fund expenditure budget is projected to **increase by \$6.8 million** in FY23-24, and an **increase of \$8.3 million** is anticipated for FY24-25. Further details explaining the increase of \$6.8 million in FY23-24 are provided in the **Departments** section of this document.

A photograph of a person in a batting stance on a baseball field, overlaid with a semi-transparent blue filter. The person is wearing a dark t-shirt, dark shorts with a red side panel, a batting helmet, and is holding a bat. A baseball is visible in the air near the bat. In the background, there is a chain-link fence and another person standing. The word "DEPARTMENTS" is written in large, white, bold, sans-serif capital letters across the center of the image.

DEPARTMENTS

Departments

City Attorney

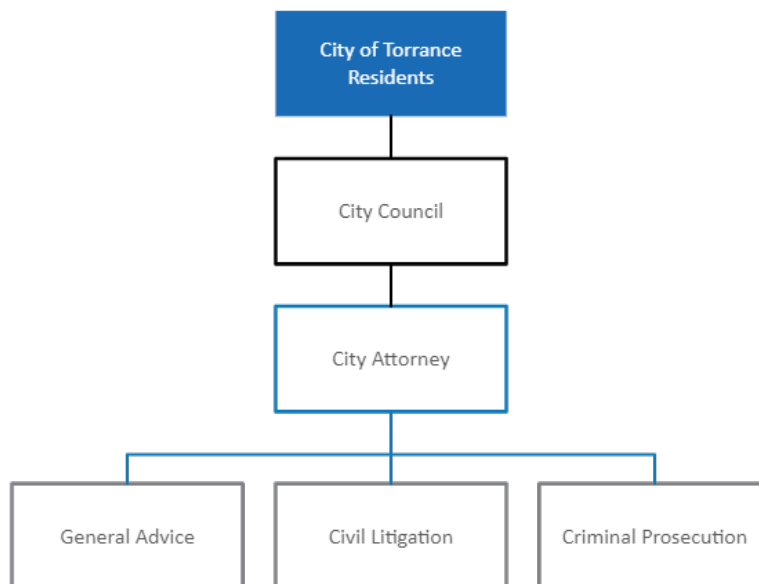
Mission Statement

The mission of the City Attorney is to advise and represent the City Council and City departments on all legal matters in a professional and timely manner. The City Attorney is committed to serving the public fairly and justly.

Functional Responsibilities

The City Attorney is responsible for advising and representing the City Council, City departments, the Successor Agency to the former Redevelopment Agency, and all employees on legal matters related to their offices and duties and the prosecution of state law misdemeanors and Municipal Code violations that occur within the City of Torrance. The office is divided into three divisions: General Advice, Civil Litigation, and Criminal Prosecution.

Department Organization



City Attorney – Department Goals and Objectives

Goals		
Strategic Plan Priority: Responsive, Accountable and Cost-Effective Government		
Goal:	Continue to monitor new legal challenges to district voting and assess applicability to the City.	Ongoing
Goal:	Establish an interactive online forum to encourage community participation.	Ongoing
Strategic Plan Priority: Reliable Revenue Base and Effective Asset Management		
Goal:	Perform effective legislative advocacy through continuous monitoring and analysis.	Ongoing
Strategic Plan Priority: Safe, Secure and Equitable Community		
Goal:	Collaborate with regional entities on issues that impact local crime.	Ongoing
Strategic Plan Priority: Housing		
Goal:	Explore the creation of transitional housing with provision of social services to aid homeless in maintaining stable living conditions.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of work requests processed	842

City Attorney – Department Operating Budget Summary (General Fund)

Expenditures by Classification	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Salaries and Employee Benefits	4,497,855	2,267,384	2,498,585	2,721,580	2,869,175	222,995	8.9%	147,595	5.4%
Salaries and Benefits Reimbursements	(126,125)	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	33,605	36,077	38,222	54,601	55,748	16,379	42.9%	1,147	2.1%
Professional/Contract Services & Utilities	172,824	194,512	181,702	228,269	233,720	46,567	25.6%	5,451	2.4%
Training, Travel & Membership Dues	18,730	21,601	35,790	55,790	56,864	20,000	55.9%	1,074	1.9%
Liabilities, Settlements & Insurance	4,090	4,985	4,577	-	0	(4,577)	-100.0%	0	0.0%
Interdepartmental Charges	55,929	19,064	47,936	40,768	44,848	(7,168)	-15.0%	4,080	10.0%
Other Operating Transfers Out	18,240	14,223	9,026	7,057	7,057	(1,969)	-21.8%	-	0.0%
Total Expenditures	\$ 4,675,148	\$ 2,557,846	\$ 2,815,838	\$ 3,108,065	\$ 3,267,412	\$ 292,227	10.4%	\$ 159,347	4.9%

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is projected to increase by \$223,000 (+8.9%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. The City Attorney's **Interdepartmental Charges** and **Other Operating Transfers Out** expenditure classifications are projected to decrease by \$7,200 (-15.0%) and \$2,000 (-21.8%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and City Attorney staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$13,800 in recurring (General Fund) non-wage cost savings for the department. The City Attorney's Office also made several adjustments to the

department's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with increased employee grievances and appeals (+\$77,000). After applying these non-wage changes to the City Attorney's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities;** and **Training Travel & Membership Dues.**

City Attorney – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Assistant City Attorney	1.00	1.00	1.00	1.00	1.00	-	-
City Attorney	1.00	1.00	1.00	1.00	1.00	-	-
Deputy City Attorney I	3.00	3.00	3.00	4.00	4.00	1.00	-
Deputy City Attorney II	1.00	1.00	2.00	1.00	1.00	(1.00)	-
Deputy City Attorney III	2.00	2.00	1.00	3.00	3.00	2.00	-
Law Office Administrator	1.00	1.00	1.00	1.00	1.00	-	-
Legal Assistant I	2.00	2.00	2.00	-	-	(2.00)	-
Legal Assistant II	2.00	2.00	2.00	4.00	4.00	2.00	-
Office Assistant	0.60	-	-	-	-	-	-
Total FTE	13.60	13.00	13.00	15.00	15.00	2.00	-

The City Attorney's FY23-24 staffing budget is recommended to be increased by 2.0 FTE. This includes converting 1.0 FTE Deputy City Attorney II to 1.0 FTE Deputy City Attorney III, converting 2.0 FTE Legal Assistant I to 2.0 FTE Legal Assistant II, and adding 1.0 FTE Deputy City Attorney III and 1.0 Deputy City Attorney III. These staffing changes will support recruitment flexibility and upward mobility, Homeless Court implementation, and highly complex legal cases.

City Clerk

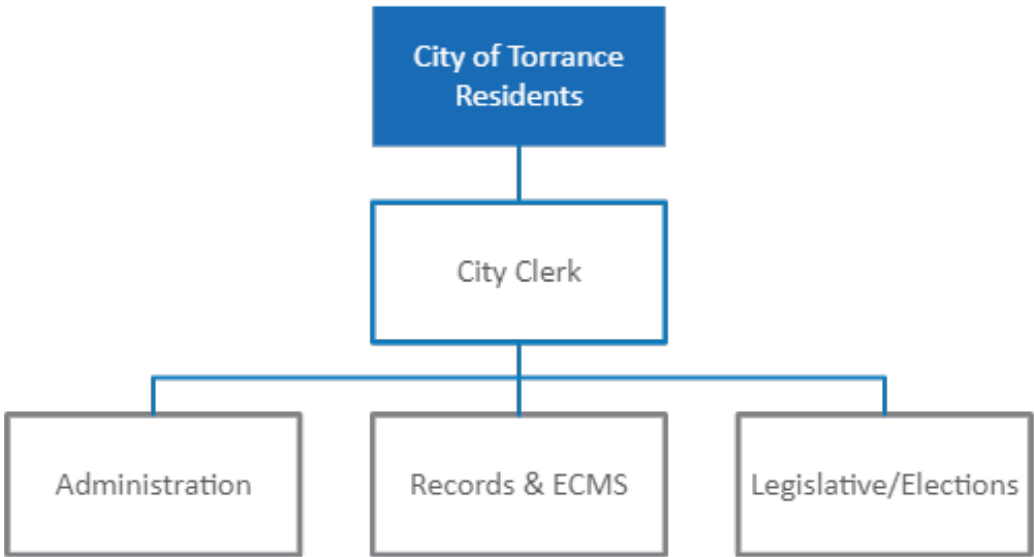
Mission Statement

The mission of the City Clerk’s Office is to be the driver for open and transparent government, caretaker and custodian of public records, steward for the elections process, and ambassador to and conduit for the democratic processes of the City. The City Clerk’s Office balances the public’s need to know with the individual’s right to privacy.

Functional Responsibilities

Elected by the citizens of Torrance, the City Clerk is the custodian of City records and keeper of the City Seal; agent for service of legal processes and accepts claims in actions against the City, administers oaths or affirmations, maintains the City’s Records Retention Schedule, and serves as Clerk of the City Council; City’s Elections Officer who conducts municipal elections; and the filing officer for the City for Conflict of Interest and Campaign Statement Forms. The City Clerk’s Office provides minute secretarial services for City Council and advisory commission meetings, maintenance of the Municipal Code, and conducts the opening of all formal City bids.

Department Organization



City Clerk – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Communication and Civic Involvement		
Goal:	Provide rapid, easy, read-only access to all non-confidential City data by the public.	Ongoing
Goal:	Broaden access to participation in forums such as advisory panels, commissions, boards, budget workshops, and blue-ribbon panels.	Ongoing
Strategic Plan Priority: Education, Diversity and Enrichment		
Goal:	Recruit a representative population of the community when selecting members for various commissions, committees and other non-elected bodies within the City.	Ongoing
Strategic Plan Priority: Responsive, Accountable and Cost-Effective Government		
Goal:	Continue to monitor new legal challenges to district voting and assess applicability to the City.	Ongoing
Goal:	Maintain and broaden online access to public records and information.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of City Council, Commission, and other agendas posted	389
KPI:	Total number of public records requests processed	1,426
KPI:	Total number of contracts processed	228
KPI:	Total number of documents digitized	2,464
KPI:	Total number of subpoenas processed	213

City Clerk – Department Operating Budget Summary (General Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
Revenues by Classification	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Other Revenues	60	85	-	-	-	-	0.0%	-	0.0%
Charges for Services	5,756	9,888	16,004	4,430	4,563	(11,574)	-72.3%	133	3.0%
Total Revenues	\$ 5,816	\$ 9,973	\$ 16,004	\$ 4,430	\$ 4,563	\$ (11,574)	-72.3%	\$ 133	2.9%
Expenditures by Classification	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Salaries and Employee Benefits	1,575,298	859,986	942,396	943,345	982,521	949	0.1%	39,176	4.2%
Salaries and Benefits Reimbursements	-	(1,375)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	19,062	8,997	23,344	25,200	25,900	1,856	8.0%	700	2.8%
Professional/Contract Services & Utilities	26,923	759,432	69,311	327,913	529,992	258,602	373.1%	202,079	61.6%
Training, Travel & Membership Dues	3,547	3,180	15,033	17,499	17,950	2,466	16.4%	451	2.6%
Liabilities, Settlements & Insurance	2,454	2,623	3,346	-	0	(3,346)	-100.0%	0	0.0%
Interdepartmental Charges	73,894	10,737	34,754	34,406	37,907	(348)	-1.0%	3,501	10.2%
Other Operating Transfers Out	16,636	17,541	13,951	11,190	11,190	(2,761)	-19.8%	-	0.0%
Total Expenditures	\$ 1,717,814	\$ 1,661,121	\$ 1,102,135	\$ 1,359,553	\$ 1,605,460	\$ 257,418	23.4%	\$ 245,907	15.3%
Revenues Less Expenditures	\$ (1,711,998)	\$ (1,651,148)	\$ (1,086,131)	\$ (1,355,123)	\$ (1,600,897)				

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is projected to increase by \$1,000 (+0.1%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. The City Clerk's **Interdepartmental Charges** and **Other Operating Transfers Out** expenditure classifications are projected to decrease by \$350 (-1.0%) and \$2,800 (-19.8%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and City Clerk staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$18,000 in recurring (General Fund) non-wage cost savings for the department. The City Clerk's Office also made several adjustments to the department's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with increased general election costs (+\$275,000). After applying these non-wage changes to the City Clerk's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance**; **Professional/Contract Services & Utilities**; and **Training Travel & Membership Dues**.

City Clerk – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Administrative Assistant	-	-	-	2.00	2.00	2.00	-
City Clerk	1.00	1.00	1.00	1.00	1.00	-	-
Deputy City Clerk I	2.00	2.00	2.00	2.00	2.00	-	-
Deputy City Clerk II	1.00	1.00	1.00	1.00	1.00	-	-
Deputy City Clerk III	1.00	1.00	1.00	1.00	1.00	-	-
Office Assistant	2.00	2.00	2.00	-	-	(2.00)	-
Records Management Specialist	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	8.00	8.00	8.00	8.00	8.00	-	-

The City Clerk's FY23-24 staffing budget will remain unchanged, except for the conversion of 2.0 FTE Office Assistant to 2.0 FTE Administrative Assistant which was previously approved by City Council in February 2023 as part of the FY22-23 First Quarter Program Modifications.

City Council

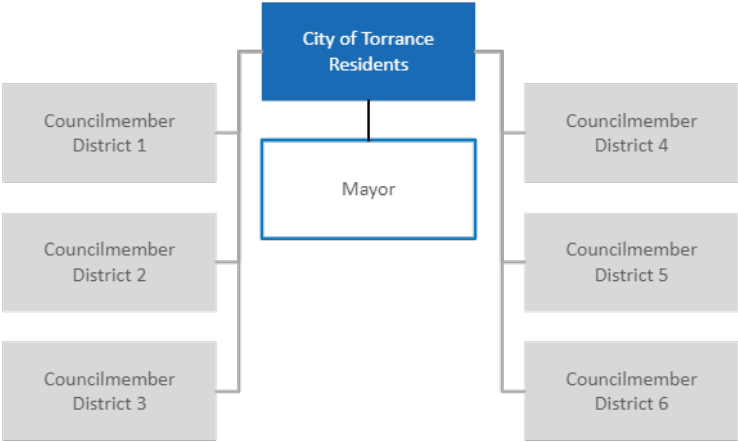
Mission Statement

The mission of the City Council is to adopt legislation, set policy, resolve issues, and establish the budget of the City. City Council is directly accountable to the electorate and must constantly balance the views of individuals and groups with the needs of the entire community.

Functional Responsibilities

The City Council consists of one Mayor and six Council members who represent six districts. The Mayor is elected at-large while Council members are elected by residents in their districts. They establish policy; levy taxes; authorize expenditures; adopt an annual budget; conduct weekly City Council meetings, various workshops, and committee meetings; and appoint volunteers to serve on advisory boards, commissions, and committees. Mayor and Councilmembers may serve as representatives on intergovernmental and regional boards, commissions, and committees.

Department Organization



City Council – Department Operating Budget Summary (General Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues by Classification									
Other Revenues	12,974	10,385	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 12,974	\$ 10,385	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
Expenditures by Classification									
Salaries and Employee Benefits	103,738	92,650	93,497	198,102	198,102	104,605	111.9%	-	0.0%
Materials, Supplies & Maintenance	24,288	22,975	33,258	45,676	46,763	12,418	37.3%	1,087	2.4%
Professional/Contract Services & Utilities	110,279	86,048	103,369	111,007	114,027	7,638	7.4%	3,020	2.7%
Training, Travel & Membership Dues	153,350	183,361	223,079	220,859	226,561	(2,220)	-1.0%	5,702	2.6%
Interdepartmental Charges	85,797	-	-	-	-	-	0.0%	-	0.0%
Other Operating Transfers Out	6,641	5,732	5,510	4,967	4,967	(543)	-9.9%	-	0.0%
Total Expenditures	\$ 484,093	\$ 390,766	\$ 458,713	\$ 580,611	\$ 590,420	\$ 121,898	26.6%	\$ 9,809	1.7%
Revenues Less Expenditures	\$ (471,119)	\$ (380,381)	\$ (458,713)	\$ (580,611)	\$ (590,420)				

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is projected to increase by \$105,000 (+111.9%), primarily a net result of changes in benefits elections, and other various employee-related cost elements. The City Council's **Other Operating Transfers Out** expenditure classification is projected to decrease by \$500 (-9.9%) after recalculating the department's contributions to the City's PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and City Manager staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$17,000 in recurring (General Fund) non-wage cost savings for the department. Several adjustments were also made to City Council's FY23-24 operating budget in the **Materials, Supplies & Maintenance, Professional/Contract Services & Utilities, and Training, Travel & Membership Dues** classifications. These budget changes account for an additional 3% CPI adjustment in each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; and Training Travel & Membership Dues.**

City Council – Department Personnel Summary (General Fund)

	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Job Classification							
City Council	7.00	7.00	7.00	7.00	7.00	-	-
Total FTE	7.00	7.00	7.00	7.00	7.00	-	-

The City Council's FY23-24 staffing budget has no recommended changes, remaining at 7.0 FTE. It should be noted that the City Council's Staff Assistant is reflected under the City Manager's budgeted staffing summary.

City Manager

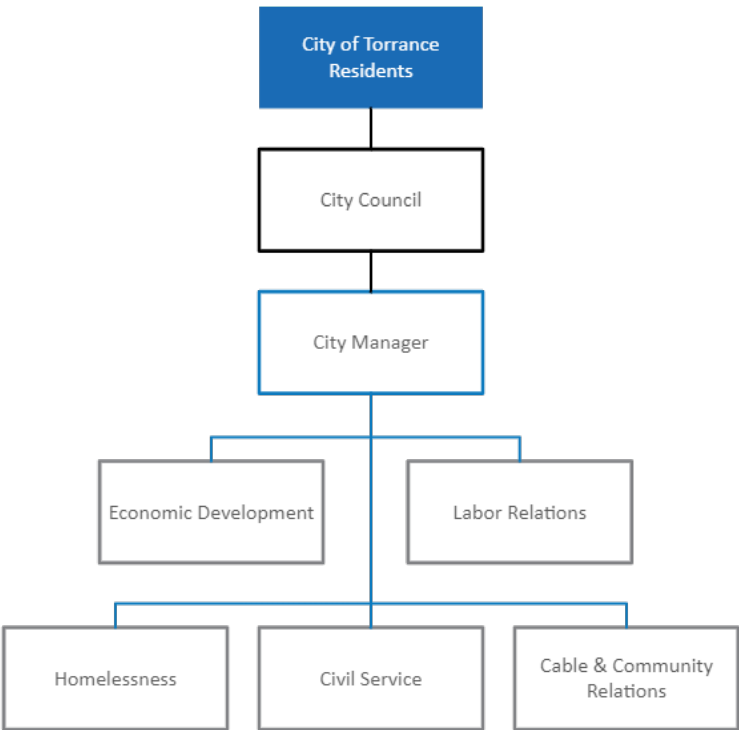
Mission Statement

The mission of the City Manager and the City Manager’s Office is to guide and coordinate the efforts of City departments in carrying out policies adopted by the City Council. The City Manager develops and implements a strategic plan that provides a maximum quality of life for the residents of the community at the optimum cost, and to implement the City’s mission statement, General Plan, and the priorities of the Strategic Plan.

Functional Responsibilities

The City Manager manages all municipal activities as provided by the City Charter; to advise the City Council on the City’s financial and capital improvement needs and other municipal matters; ensures the enforcement of all City laws and ordinances; manages the City’s properties; submits a balanced budget; directs all City departments; appoints department heads and authorizes appointment of all other City employees; directs the City’s capital improvement projects; informs the public of City activities and services through the media; and represents management in employer-employee relations matters. The City Manager directs activities of the Cable Television Division and is the focal point for economic development and community relations.

Department Organization



City Manager – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Communication and Civic Involvement		
Goal:	Utilize CitiCABLE, streaming, over-the-air, community subject-matter experts, Public, Educational, and Government Access channels as a source for current information about Torrance activities.	Complete
Goal:	Leverage opt-in electronic methods to communicate with citizens, such as e-mail, text and other messaging subscriptions.	Ongoing
Strategic Plan Priority: Economic Development		
Goal:	Actively market the City's economic development program to encourage and recruit new businesses.	Ongoing
Strategic Plan Priority: Housing		
Goal:	Connect people who are homeless, leaving homelessness, or who are in danger of becoming homeless to needed services to help stabilize their housing situation. The focus of services should be transitioning out of homelessness.	Ongoing
Goal:	Explore the creation of transitional housing with provision of social services to aid homeless in maintaining stable living conditions.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of people experiencing homelessness placed in permanent housing	14
KPI:	Total number of Common Cents, Torrance Today, and Weekends in Torrance shows	225
KPI:	Total number of eNewsletter subscribers	1,883
KPI:	Total number of Facebook, Instagram, and Twitter followers	38,012
KPI:	Total number of YouTube views	151,136
KPI:	Total number of Torrance Alerts subscribers	19,108

City Manager – Department Operating Budget Summary (General Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
Revenues by Classification	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Taxes	1,612,297	1,596,055	1,600,050	1,788,591	1,824,362	188,541	11.8%	35,771	2.0%
Intergovernmental	-	50,000	152,931	95,575	97,487	(57,356)	-37.5%	1,912	2.0%
Other Revenues	345	319,367	-	-	-	-	0.0%	-	0.0%
Charges for Services	128,356	225,894	888,099	846,330	852,561	(41,769)	-4.7%	6,231	0.7%
	-	146,776	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 1,740,998	\$ 2,338,092	\$ 2,641,080	\$ 2,730,496	\$ 2,774,410	\$ 89,416	3.4%	\$ 43,914	1.6%
Expenditures by Classification	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Salaries and Employee Benefits	7,155,822	4,441,230	4,850,342	4,937,887	5,182,816	87,545	1.8%	244,929	5.0%
Salaries and Benefits Reimbursements	(197,789)	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	75,739	83,401	216,194	159,919	167,830	(56,275)	-26.0%	7,911	4.9%
Materials Reimbursements	(22,200)	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services & Utilities	376,876	488,961	804,383	1,072,889	1,097,126	268,506	33.4%	24,237	2.3%
Training, Travel & Membership Dues	42,488	51,230	113,556	128,555	132,264	14,999	13.2%	3,709	2.9%
Liabilities, Settlements & Insurance	11,013	-	12,548	-	0	(12,548)	-100.0%	0	0.0%
Interdepartmental Charges	202,948	24,477	84,938	106,187	116,804	21,249	25.0%	10,617	10.0%
Capital Acquisitions	17,839	4,505	66,500	15,000	15,000	(51,500)	-77.4%	-	0.0%
Other Operating Transfers Out	24,251	48,902	18,318	14,582	14,582	(3,736)	-20.4%	-	0.0%
Total Expenditures	\$ 7,686,987	\$ 5,142,706	\$ 6,166,779	\$ 6,435,019	\$ 6,726,422	\$ 268,240	4.3%	\$ 291,403	4.3%
Revenues Less Expenditures	\$ (5,945,989)	\$ (2,804,614)	\$ (3,525,699)	\$ (3,704,523)	\$ (3,952,012)				

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is projected to increase by \$88,000 (+1.8%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. The City Manager's **Interdepartmental Charges** and **Other Operating Transfers Out** expenditure classifications are projected to increase by \$21,200 (+25.0%) and decrease by \$3,700 (-20.4%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and City Manager staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$117,000 in recurring (General Fund) non-wage cost savings for the department. The City Manager's Office also made several adjustments to the department's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with the new AchieveIt strategic planning software (+\$40,000), expansion of Economic Development initiatives (+45,000), and charter amendment measures (+\$130,000). After applying these non-wage changes to the City Manager's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; and Training Travel & Membership Dues.**

City Manager – Department Operating Budget Summary (Measure SST Fund)

Expenditures by Classification	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Materials, Supplies & Maintenance	-	-	-	1,000,000	1,000,000	1,000,000	0.0%	-	0.0%
Total Expenditures	\$ -	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	0.0%	\$ -	0.0%

As shown in the summary table above, the increase of \$1.0 million in the **Materials, Supplies and Maintenance** expenditure classification is to cover non-wage costs associated with increased efforts dedicated to addressing homelessness.

City Manager – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
			(SST Amend)	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Increase/ (Decrease)
Administrative Assistant	3.00	3.00	3.00	2.00	2.00	(1.00)	-
Area G Executive Director	1.00	1.00	1.00	1.00	1.00	-	-
Assistant City Manager	1.00	1.00	1.00	1.00	1.00	-	-
Assistant to the City Manager	1.00	2.00	2.00	1.00	1.00	(1.00)	-
Cable & Comm Relations Manager	1.00	1.00	1.00	1.00	1.00	-	-
Cable TV Announcer	1.80	1.80	1.80	1.80	1.80	-	-
Cable TV Operations Asst	3.00	3.00	1.00	1.00	1.00	-	-
Cable TV Production Assis	4.50	4.50	4.50	4.50	4.50	-	-
Cable TV Production Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
City Manager	1.00	1.00	1.00	1.00	1.00	-	-
Community Television Supervisor	-	-	1.00	1.00	1.00	-	-
Deputy City Manager	-	-	-	1.00	1.00	1.00	-
Deputy Finance Director	-	-	0.25	0.25	0.25	-	-
Economic Development Manager	1.00	1.00	1.00	1.00	1.00	-	-
Intern	2.00	2.00	2.00	2.00	2.00	-	-
Management Assistant	-	2.00	2.00	2.00	2.00	-	-
Management Associate	4.00	3.00	4.00	4.00	4.00	-	-
Office Assistant	2.00	2.25	2.25	2.25	2.25	-	-
Producer Writer, Asst	1.00	1.00	1.00	1.00	1.00	-	-
Staff Assistant	5.00	6.00	6.68	9.68	9.68	3.00	-
Supervising Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Supervising Producer/Writer	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	35.30	38.55	39.48	41.48	41.48	2.00	-

The City Manager's FY23-24 staffing budget has a recommended increase of 2.0 FTE. This includes converting 1.0 FTE Administrative Assistant to 1.0 FTE Staff Assistant and adding 1.0 FTE Staff Assistant. These staffing changes will support recruitment flexibility and upward mobility and the expansion of homelessness outreach efforts. The conversion of 1.0 FTE Assistant to the City Manager to 1.0 FTE Deputy City Manager and the addition of 1.0 FTE Staff Assistant were previously approved by City Council in February 2023 as part of the FY22-23 First Quarter Program Modifications.

City Treasurer

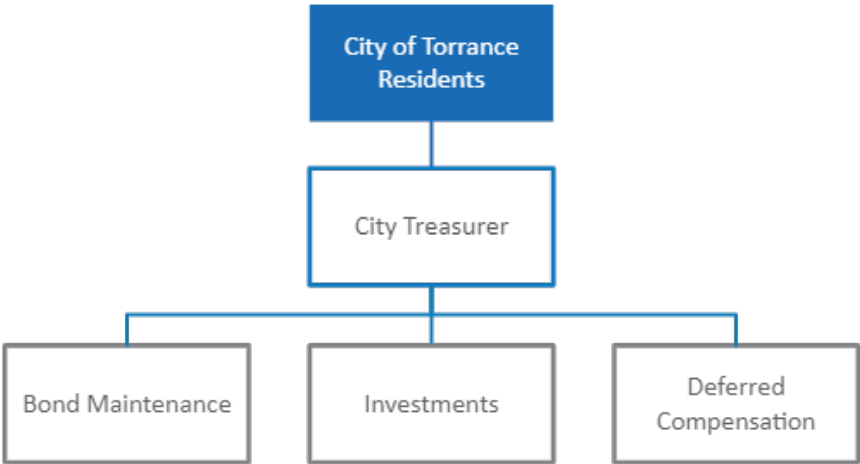
Mission Statement

The mission of the City Treasurer is to safeguard all City funds and manage the investment of surplus cash in accordance with the City’s investment policy.

Functional Responsibilities

Elected by the residents of Torrance, the City Treasurer is responsible for the investment of idle funds and for receiving and depositing all monies.

Department Organization



City Treasurer – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Reliable Revenue Base and Effective Asset Management		
Goal:	Investigate responsible alternatives for investing financial assets of the City.	Ongoing
Goal:	Ensure procedures, policies and principles of asset management are maintained and reviewed for effectiveness.	Ongoing

Key Performance Indicators		2022
KPI:	Total investments earnings	\$2,400,000
KPI:	Total Investment portfolio yield	3.457%

City Treasurer – Department Operating Budget Summary (General Fund)

Expenditures	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Salaries and Employee Benefits	541,051	281,723	302,782	295,743	310,798	(7,039)	-2.3%	15,055	5.1%
Salaries and Benefits Reimbursements	-	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	259	1,460	2,905	2,835	2,922	(70)	-2.4%	87	3.1%
Professional/Contract Services & Utilities	17,736	12,580	34,177	15,540	16,082	(18,637)	-54.5%	542	3.5%
Training, Travel & Membership Dues	1,020	860	6,244	15,610	15,737	9,366	150.0%	127	0.8%
Liabilities, Settlements & Insurance	1,636	-	2,231	-	-	(2,231)	-100.0%	-	0.0%
Interdepartmental Charges	14,654	4,940	11,092	8,292	9,122	(2,800)	-25.2%	830	10.0%
Capital Acquisitions	-	-	3,898	3,898	3,898	-	0.0%	-	0.0%
Other Operating Transfers Out	2,967	3,222	1,512	1,171	1,171	(341)	-22.6%	-	0.0%
Total Expenditures	\$ 579,323	\$ 304,785	\$ 364,841	\$ 343,089	\$ 359,730	\$ (21,752)	-6.0%	\$ 16,641	4.6%

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$7,000 (-2.3%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. The Civil Service Division's **Interdepartmental Charges** and **Other Operating Transfers Out** expenditure classifications are projected to decrease by \$2,800 (-25.2%) and \$300 (-22.6%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and City Manager staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$500 in recurring (General Fund) non-wage cost savings for the department. The City Treasurer's Office also made several adjustments to the department's FY23-24 operating budget in the **Materials, Supplies & Maintenance, Professional/Contract Services & Utilities, Training, Travel & Membership Dues** classifications. These budget changes account for major cost drivers associated with increased continuing education for the City Treasurer and Deputy City Treasurer (+\$11,000). After applying these non-wage changes to the City Treasurer's operating budget, an additional 3% CPI adjustment was made

to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities;** and **Training Travel & Membership Dues.**

City Treasurer – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
City Treasurer	1.00	1.00	1.00	1.00	1.00	-	-
Deputy City Treasurer	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	2.00	2.00	2.00	2.00	2.00	-	-

The City Treasurer’s FY23-24 staffing budget has no recommended changes, remaining at 2.0 FTE.

Civil Service

Mission Statement

The mission of the Civil Service Department is to provide a quality work force through timely and effective selection processes within the structure of consistently administered policies and procedures. The Civil Service Department works with the Civil Service Commission to resolve issues and communicate standards of clarity, openness, and support.

Functional Responsibilities

The Civil Service Department assists and acts as a liaison to the Civil Service Commission. Appointed by City Council, the Civil Service Commission is a seven-member governing body with authority over Civil Service positions. The Commission acts as a board of review in all employee disciplinary cases where a hearing is requested. The Employee Relations Committee is a sub-committee of the Commission that administers the City's Employee Relations Ordinance. The Commission advises the City Council on all personnel related matters. Commission staff recruits applicants, prepares and conducts examinations, reviews new and revised classifications, interprets policies and rules, prepares Commission meeting agendas, implements Commission actions, and maintains liaison with all City departments.

Department Organization



Civil Service – Department Operating Budget Summary (General Fund)

Expenditures by Classification	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Salaries and Employee Benefits	892,605	495,243	506,633	534,352	558,155	27,719	5.5%	23,803	4.5%
Salaries and Benefits Reimbursements	(29,161)	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	2,083	5,128	16,504	6,564	7,059	(9,940)	-60.2%	495	7.5%
Professional/Contract Services & Utilities	24,260	23,105	84,109	98,439	93,834	14,330	17.0%	(4,605)	-4.7%
Training, Travel & Membership Dues	1,682	3,614	7,107	4,999	5,212	(2,108)	-29.7%	213	4.3%
Liabilities, Settlements & Insurance	3,237	4,659	7,050	6,180	6,180	(870)	-12.3%	-	0.0%
Interdepartmental Charges	18,630	2,736	6,477	48,390	59,847	41,913	647.1%	11,457	23.7%
Other Operating Transfers Out	1,826	2,631	2,021	2,207	2,207	186	9.2%	-	0.0%
Total Expenditures	\$ 915,162	\$ 537,116	\$ 629,901	\$ 701,131	\$ 732,494	\$ 71,230	11.3%	\$ 31,363	4.3%

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is projected to increase by \$27,700 (+5.5%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. The Civil Service Division's **Interdepartmental Charges** and **Other Operating Transfers Out** expenditure classifications are projected to increase by \$41,900 (+647.1%) and \$190 (+9.2%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and City Manager staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$72,000 in recurring (General Fund) non-wage cost savings for the department. The City Manager's Office also made several adjustments to the Civil Service Division's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with increased arbitration transcription services to support the Civil Service Commission (+\$75,000). After applying these non-wage changes to the Civil Service Division's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance**; **Professional/Contract Services & Utilities**; and **Training Travel & Membership Dues**.

Civil Service – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2024-25
			(SST Amend)	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Increase/ (Decrease)
Civil Service Manager	1.00	1.00	1.00	1.00	1.00	-	-
Human Resources Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Human Resources Technician	1.00	1.00	1.00	1.00	1.00	-	-
Staff Assistant	0.80	0.80	0.80	0.80	0.80	-	-
Total FTE	3.80	3.80	3.80	3.80	3.80	-	-

The Civil Service Division’s FY23-24 staffing budget has no recommended changes, remaining at 3.8 FTE.

Communications & Information Technology

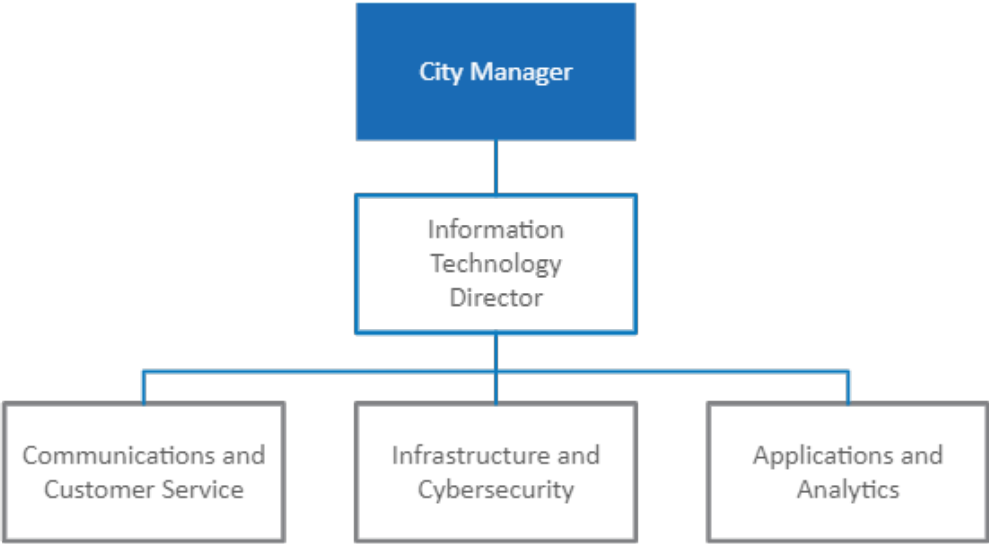
Mission Statement

The mission of the Communications and Information Technology Department (“CIT”) is to strategically plan and support all communication and automation needs of the City in an accountable and responsive manner. They provide effective technology solutions to serve the dynamic and diverse needs of the community and City of Torrance employees.

Functional Responsibilities

The Communications and Information Technology Department is responsible for administering the City’s information and communications systems and infrastructure. The Department oversees computer hardware systems, data and telecommunications infrastructure, data management, information security, radio and wireless communications, software and applications, and telephone and voice systems.

Department Organization



CIT – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Infrastructure		
Goal:	Create avenues to leverage “Big Data ” in service of City needs.	Ongoing
Goal:	Ensure technological infrastructure that allows accessibility for all to be connected, with emphasis on special needs and seniors.	Ongoing
Strategic Plan Priority: Responsive, Accountable and Cost-Effective Government		
Goal:	Utilize cost effective ways of doing business with appropriate technology to improve services.	Ongoing
Goal:	Explore, establish and maintain an education and information database for City staff.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of emails blocked	41,979
KPI:	Total number of emails quarantined	1,535
KPI:	Total number of advanced threats detected	382
KPI:	Total number of viruses detected	17

CIT – Department Operating Budget Summary (General Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Operating Transfers In	-	-	-	175,000	179,856	175,000	0.0%	4,856	2.8%
Total Revenues	\$ -	\$ -	\$ -	\$ 175,000	\$ 179,856	\$ 175,000	0.0%	\$ 4,856	2.7%
Expenditures									
Salaries and Employee Benefits	11,334,246	5,922,975	6,279,206	5,985,683	6,235,174	(293,523)	-4.7%	249,491	4.2%
Salaries and Benefits Reimbursements	(2,340,692)	(10,159)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	731,626	794,080	274,926	276,549	300,462	1,623	0.6%	23,913	8.6%
Materials Reimbursements	(1,106,749)	-	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services & Utilities	554,016	692,083	2,177,161	2,251,587	2,521,805	74,426	3.4%	270,218	12.0%
Training, Travel & Membership Dues	62,445	62,914	127,265	50,266	45,369	(76,999)	-60.5%	(4,897)	-9.7%
Liabilities, Settlements & Insurance	9,804	-	13,162	-	-	(13,162)	-100.0%	-	0.0%
Interdepartmental Charges	239,734	39,534	132,108	125,732	138,301	(6,376)	-4.8%	12,569	10.0%
Capital Acquisitions	-	-	1,000	30,000	30,000	29,000	2900.0%	-	0.0%
Other Operating Transfers Out	147,671	138,873	81,809	62,570	62,570	(19,239)	-23.5%	-	0.0%
Total Expenditures	\$ 9,632,101	\$ 7,640,300	\$ 9,086,637	\$ 8,782,387	\$ 9,333,681	\$ (304,250)	-3.3%	\$ 551,294	5.9%
Revenues Less Expenditures	\$ (9,632,101)	\$ (7,640,300)	\$ (9,086,637)	\$ (8,607,387)	\$ (9,153,825)				

As shown in the summary table above, the change in the **Operating Transfers In** revenue classification is to cover the labor costs associated with increased efforts dedicated to cybersecurity which will be funded by Measure SST. The **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$293,500 (-4.7%), a net result of changes in the department’s budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. Moreover, CIT’s **Interdepartmental Charges**, and **Other Operating Transfers Out** expenditure classifications are projected to decrease by \$6,400 (-4.8%) and \$19,200 (-23.5%), respectively. This is the result of recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and CIT staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$661,000 in recurring (General Fund) non-wage cost savings for the department. CIT also made several adjustments to the department's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with Accela's transition to the cloud (+\$192,000), expansion of Office365 (+\$145,000), increase to the ArcGIS annual subscription (+\$70,000), and a shift in accounting for the annual virtual server software cost from the PC Replacement Fund to CIT's operating budget (+\$62,000). After applying these non-wage changes to the CIT Department's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; and Training Travel & Membership Dues.**

CIT – Department Operating Budget Summary (Measure SST Fund)

Expenditures by Classification	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Professional/Contract Services & Utilities	-	-	300,000	825,000	825,000	525,000	175.0%	-	0.0%
Total Expenditures	\$ -	\$ -	\$ 300,000	\$ 825,000	\$ 825,000	\$ 525,000	175.0%	\$ -	0.0%

As shown in the summary table above, the increase of \$525,000 in the **Professional/Contract Services & Utilities** expenditure classification is to cover non-wage costs associated with increased efforts dedicated to cybersecurity.

CIT – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Communication Supv/Wireless	1.00	1.00	1.00	1.00	1.00	-	-
Communications Manager	1.00	1.00	1.00	-	-	(1.00)	-
Communications Supv/Telecomm	1.00	1.00	1.00	1.00	1.00	-	-
Driver/Clerk, Delivery	1.00	-	-	-	-	-	-
Info Tech Specialist	7.00	7.00	6.00	5.00	5.00	(1.00)	-
Info Technology Analyst	8.00	8.00	7.00	6.00	6.00	(1.00)	-
Info Technology Director	1.00	1.00	1.00	1.00	1.00	-	-
Information Technology Manager	1.00	1.00	1.00	3.00	3.00	2.00	-
Intern	1.00	1.00	0.50	1.00	1.00	0.50	-
Office Assistant	1.00	1.00	-	-	-	-	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Storekeeper	-	1.00	1.00	1.00	1.00	-	-
Systems Analyst	9.00	8.00	9.00	10.00	10.00	1.00	-
Telecommunications Tech	2.00	2.00	2.00	2.00	2.00	-	-
Wireless Technician	4.00	4.00	4.00	4.00	4.00	-	-
Total Full Time Equivalent (FTE)	41.00	40.00	37.50	38.00	38.00	0.50	-

CIT's FY23-24 staffing budget has a recommended increase of 0.5 FTE to support department operations. All other changes shown in the summary table above were previously approved by City Council in February 2023 as part of the FY22-23 First Quarter Program Modifications.

Community Development

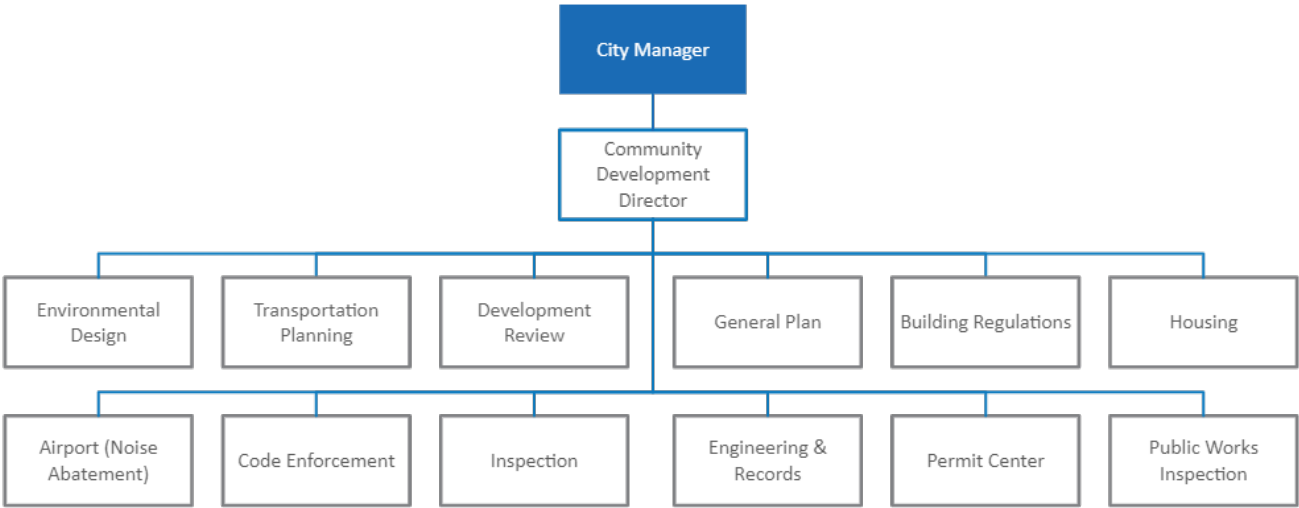
Mission Statement

The mission of the Community Development Department (“CDD”) is to guide and support the orderly development of the City and the City infrastructure and the continued revitalization of the City to maintain a balanced community to meet present and future needs.

Functional Responsibilities

The Community Development Department manages all City building and planning activities including building permits, environmental duties, downtown Torrance, engineering permits and records, GIS, mapping and survey information, and housing activities. They are responsible for Advance Planning, Building Permits & Online Permitting, Code Enforcement, Construction Plan Check and Inspections, Development Review, Engineering Permits and Records, GIS, Housing Programs, NPDES Administration, Successor Agency to the Former Redevelopment Agency of the City of Torrance, Survey Information, and Transportation Planning.

Department Organization



CDD – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Appearance, Character and Quality of Community		
Goal:	Maximize use of open space in all developments to mitigate the existing open space deficit.	Complete
Goal:	Develop area plans that preserve, enhance and/or define unique characteristics of identified sections of the City.	Ongoing
Strategic Plan Priority: Economic Development		
Goal:	Prioritize communication to the public for the revitalization and redevelopment of the Downtown Business District.	Complete
Strategic Plan Priority: Housing		
Goal:	Encourage additional implementation of mixed-use office and residential space through creative collaboration and exploration of partnerships with community stakeholders, including employers.	Complete
Goal:	Encourage the rezoning of underused and unused commercial zoned property into residential zoning.	Complete

Key Performance Indicators		2022
KPI:	Total number of visitors to Permit Center	24,533
KPI:	Total number of Planning Permits	551
KPI:	Total number of Building & Safety Permits	8,364
KPI:	Total number of online issued Permits	885
KPI:	Average Customer Service Satisfaction Rating	95%

CDD – Department Operating Budget Summary (General Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Licenses, Fees and Permits	4,010,977	4,894,366	4,485,375	5,250,736	5,413,694	765,361	17.1%	162,958	3.1%
Use of Money and Property	(2,725)	2,875	5,684	2,924	3,012	(2,760)	-48.6%	88	3.0%
Other Revenues	-	11,097	-	-	-	-	0.0%	-	0.0%
Charges for Services	4,759,976	5,125,144	5,316,824	6,174,902	6,360,149	858,078	16.1%	185,247	3.0%
Operating Transfers In	29,518	23,400	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 8,797,746	\$ 10,056,882	\$ 9,807,883	\$ 11,428,562	\$ 11,776,855	\$ 1,620,679	16.5%	\$ 348,293	3.0%
Expenditures									
Salaries and Employee Benefits	15,448,683	7,292,406	8,781,814	8,546,230	8,900,615	(235,584)	-2.7%	354,385	4.1%
Salaries and Benefits Reimbursements	(548,328)	(469,615)	(51,294)	(168,294)	(168,294)	(117,000)	228.1%	-	0.0%
Materials, Supplies & Maintenance	177,406	199,524	271,761	263,820	302,288	(7,941)	-2.9%	38,468	14.6%
Professional/Contract Services & Utilities	342,200	290,521	366,270	549,671	410,758	183,401	50.1%	(138,913)	-25.3%
Training, Travel & Membership Dues	38,031	36,312	46,459	52,440	63,330	5,981	12.9%	10,890	20.8%
Liabilities, Settlements & Insurance	99,243	1,063	46,341	-	0	(46,341)	-100.0%	0	0.0%
Interdepartmental Charges	354,122	88,114	305,595	361,015	398,685	55,420	18.1%	37,670	10.4%
Capital Acquisitions	-	-	2,200	-	-	(2,200)	-100.0%	-	0.0%
Other Operating Transfers Out	61,398	87,562	46,469	38,794	38,794	(7,675)	-16.5%	-	0.0%
Total Expenditures	\$ 15,972,755	\$ 7,525,887	\$ 9,815,615	\$ 9,643,676	\$ 9,946,176	\$ (171,939)	-1.8%	\$ 302,500	3.0%
Revenues Less Expenditures	\$ (7,175,009)	\$ 2,530,995	\$ (7,732)	\$ 1,784,886	\$ 1,830,679				

As shown in the summary table above, the **License, Fees and Permits** and **Charges for Services** revenue classifications are anticipated to increase by \$765,400 (+17.1%) and \$858,100 (+16.1%), respectively. This is primarily driven by increases in building permit fees and plan check fees taking effect in FY22-23 and re-aligning the budget for the coming fiscal year based on projected year-end

outcomes. The **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$235,500 (-2.7%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. Moreover, CDD's **Interdepartmental Charges**, and **Other Operating Transfers Out** expenditure classifications are projected to increase by \$55,400 (+18.1%) and decrease by \$7,700 (-16.5%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and CDD staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$62,000 in recurring (General Fund) non-wage cost savings for the department. CDD also made several adjustments to the department's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with document scanning and storage (+\$50,000), seismic consulting services (+\$95,000), code enforcement consulting services (+\$75,000), and oil well plan review services (+\$50,000). After applying these non-wage changes to CDD's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance**; **Professional/Contract Services & Utilities**; and **Training Travel & Membership Dues**.

CDD – Department Operating Budget Summary (Air Quality Management District Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Use of Money and Property	3,382	2,076	3,000	11,906	12,263	8,906	296.9%	357	3.0%
Intergovernmental	236,387	139,538	200,842	196,390	202,282	(4,452)	-2.2%	5,892	3.0%
Operating Transfers In	16,450	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 256,219	\$ 141,614	\$ 203,842	\$ 208,296	\$ 214,545	\$ 4,454	2.2%	\$ 6,249	2.9%
Expenditures									
Salaries and Employee Benefits	67,877	22,795	103,459	119,847	124,342	16,388	15.8%	4,495	3.8%
Materials, Supplies & Maintenance	15,911	16,689	64,423	33,338	33,338	(31,085)	-48.3%	-	0.0%
Professional/Contract Services & Utilities	67,654	68,478	34,960	21,000	21,000	(13,960)	-39.9%	-	0.0%
Training, Travel & Membership Dues	-	198	1,000	1,000	1,000	-	0.0%	-	0.0%
Other Operating Transfers Out	(1)	-	-	-	-	-	0.0%	-	0.0%
Total Expenditures	\$ 151,441	\$ 108,160	\$ 203,842	\$ 175,185	\$ 179,680	\$ (28,657)	-14.1%	\$ 4,495	2.5%
Revenues Less Expenditures	\$ 104,778	\$ 33,454	\$ -	\$ 33,111	\$ 34,865				

The Air Quality Management District Fund summary table above shows a projected increase of \$16,400 (+15.8%) in the **Salaries and Employee Benefits** expenditure classification, a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various

employee-related cost elements. CDD also made several adjustments to the Air Quality Management District Fund's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** expenditure classifications to re-align the budget with anticipated needs within these classifications for the coming fiscal year.

CDD – Department Operating Budget Summary (HOME Investment Partnership Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Intergovernmental	-	-	512,936	510,196	510,196	(2,740)	-0.5%	-	0.0%
Operating Transfers In	-	-	115,410	-	-	(115,410)	-100.0%	-	0.0%
Total Revenues	\$ -	\$ -	\$ 628,346	\$ 510,196	\$ 510,196	\$ (118,150)	-18.8%	\$ -	0.0%
Expenditures									
Salaries and Employee Benefits	-	-	273,938	-	-	(273,938)	-100.0%	-	0.0%
Materials, Supplies & Maintenance	-	-	292,114	-	-	(292,114)	-100.0%	-	0.0%
Professional/Contract Services & Utilities	-	-	11,000	-	-	(11,000)	-100.0%	-	0.0%
Other Expenditures	-	-	51,294	-	-	(51,294)	-100.0%	-	0.0%
Total Expenditures	\$ -	\$ -	\$ 628,346	\$ -	\$ -	\$ (628,346)	-100.0%	\$ -	0.0%
Revenues Less Expenditures	\$ -	\$ -	\$ -	\$ 510,196	\$ 510,196				

The HOME Investment Partnership Fund summary table above includes anticipated revenues totaling \$510,000 in FY23-24 but does not currently have a proposed expenditure budget. CDD is actively working to develop a five-year consolidated plan that will be presented and discussed during the May 9, 2023 council meeting. The outcome of these actions will inform any recommended budget adjustments for the coming fiscal year.

CDD – Department Operating Budget Summary (Low Mod Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Use of Money and Property	42,760	91,468	28,940	90,000	90,000	61,060	211.0%	-	0.0%
Operating Transfers In	54,491	-	1,250,670	-	-	(1,250,670)	-100.0%	-	0.0%
Total Revenues	\$ 97,251	\$ 91,468	\$ 1,279,610	\$ 90,000	\$ 90,000	\$ (1,189,610)	-93.0%	\$ -	0.0%
Expenditures									
Salaries and Employee Benefits	137,312	56,481	59,337	53,780	56,333	(5,557)	-9.4%	2,553	4.7%
Materials, Supplies & Maintenance	6,000	7,500	8,000	8,000	8,000	-	0.0%	-	0.0%
Professional/Contract Services & Utilities	2,167	-	5,000	-	-	(5,000)	-100.0%	-	0.0%
Total Expenditures	\$ 145,479	\$ 63,981	\$ 72,337	\$ 61,780	\$ 64,333	\$ (10,557)	-14.6%	\$ 2,553	4.0%
Revenues Less Expenditures	\$ (48,228)	\$ 27,487	\$ 1,207,273	\$ 28,220	\$ 25,667				

The Low Mod Fund summary table above shows a projected decrease of \$1.25 million (-100%) in the **Operating Transfers In** revenue classification due to a one-time transfer from the General Fund to facilitate the purchase of 1316 Cabrillo Ave in FY22-23. The Low Mod Fund's projected decrease of \$5,600 (-9.4%) in the **Salaries and Employee Benefits** expenditure classification is a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid

modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements.

CDD – Department Operating Budget Summary (Meadow Park Parking Lot District Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Use of Money and Property	4,500	30,010	41,018	32,500	32,500	(8,518)	-20.8%	-	0.0%
Operating Transfers In	28,861	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 33,361	\$ 30,010	\$ 41,018	\$ 32,500	\$ 32,500	\$ (8,518)	-20.8%	\$ -	0.0%
Expenditures									
Professional/Contract Services & Utilities	15,552	15,265	30,611	24,093	31,359	(6,518)	-21.3%	7,266	30.2%
Other Operating Transfers Out	10,407	10,407	10,407	-	-	(10,407)	-100.0%	-	0.0%
Total Expenditures	\$ 25,959	\$ 25,672	\$ 41,018	\$ 24,093	\$ 31,359	\$ (16,925)	-41.3%	\$ 7,266	23.2%
Revenues Less Expenditures	\$ 7,402	\$ 4,338	\$ -	\$ 8,407	\$ 1,141				

The Meadow Park Parking Lot District Fund summary table includes several adjustments made by CDD to the Meadow Park Parking Lot District Fund's FY23-24 operating budget in the **Professional/Contract Services & Utilities** and **Other Operating Transfers Out** expenditure classifications. These changes re-align the budget with anticipated needs within these classifications for the coming fiscal year.

CDD – Department Operating Budget Summary (Section 8 Housing Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Use of Money and Property	7,213	4,053	5,500	5,500	5,665	-	0.0%	165	3.0%
Intergovernmental	6,941,581	6,844,157	7,906,684	7,276,684	7,494,985	(630,000)	-8.0%	218,301	3.0%
Other Revenues	34,464	19,481	16,000	16,000	16,480	-	0.0%	480	3.0%
Total Revenues	\$ 6,983,258	\$ 6,867,691	\$ 7,928,184	\$ 7,298,184	\$ 7,517,130	\$ (630,000)	-7.9%	\$ 218,946	2.9%
Expenditures									
Salaries and Employee Benefits	637,067	575,890	579,656	540,775	562,834	(38,881)	-6.7%	22,059	4.1%
Materials, Supplies & Maintenance	5,980,274	5,953,262	7,105,257	6,389,565	6,603,190	(715,692)	-10.1%	213,625	3.3%
Professional/Contract Services & Utilities	27,463	36,626	73,527	78,527	80,733	5,000	6.8%	2,206	2.8%
Training, Travel & Membership Dues	219	400	5,000	5,000	5,150	-	0.0%	150	3.0%
Interdepartmental Charges	151,240	139,711	130,380	123,960	127,471	(6,420)	-4.9%	3,511	2.8%
Capital Acquisitions	3,888	2,125	34,364	34,364	34,364	-	0.0%	-	0.0%
Total Expenditures	\$ 6,800,151	\$ 6,708,014	\$ 7,928,184	\$ 7,172,191	\$ 7,413,742	\$ (755,993)	-9.5%	\$ 241,551	3.3%
Revenues Less Expenditures	\$ 183,107	\$ 159,677	\$ -	\$ 125,993	\$ 103,388				

The Section 8 Housing Fund summary table above shows a projected decrease of \$630,000 (-8.0%) in the **Intergovernmental** revenue classification to re-align the budget with anticipated revenues for the coming fiscal year. The Section 8 Housing Fund's projected decrease of \$38,900 (-6.7%) in the **Salaries and Employee Benefits** expenditure classification is a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. CDD also made several adjustments to the Section 8 Housing Fund's FY23-24

operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications to re-align the budget with anticipated needs within these classifications for the coming fiscal year.

CDD – Department Operating Budget Summary (Redevelopment Agency Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Taxes	3,187,503	4,058,695	4,000,000	4,000,000	4,108,000	-	0.0%	108,000	2.7%
Use of Money and Property	3,440	255	7,000	7,000	7,189	-	0.0%	189	2.7%
Other Financing Sources	189,766	189,766	189,768	189,768	194,892	-	0.0%	5,124	2.7%
Total Revenues	\$ 3,380,709	\$ 4,248,716	\$ 4,196,768	\$ 4,196,768	\$ 4,310,081	\$ -	0.0%	\$ 113,313	2.6%
Expenditures									
Professional/Contract Services & Utilities	9,423	-	13,500	13,500	13,500	-	0.0%	-	0.0%
Debt Service	2,899,262	2,869,178	2,854,495	2,872,203	2,878,453	17,708	0.6%	6,250	0.2%
Debt Service Reimbursements	(1,270,000)	(1,320,000)	(1,370,000)	(1,435,000)	(1,515,000)	(65,000)	4.7%	(80,000)	5.6%
Other Expenditures	250,000	297,374	250,000	250,000	250,000	-	0.0%	-	0.0%
Total Expenditures	\$ 1,888,685	\$ 1,846,552	\$ 1,747,995	\$ 1,700,703	\$ 1,626,953	\$ (47,292)	-2.7%	\$ (73,750)	-4.5%
Revenues Less Expenditures	\$ 1,492,024	\$ 2,402,164	\$ 2,448,773	\$ 2,496,065	\$ 2,683,128				

The Redevelopment Agency Fund summary table includes several adjustments made by CDD to the Redevelopment Agency Fund's FY23-24 operating budget in the **Debt Services** and **Debt Service Reimbursements** classifications. These changes re-align the budget with anticipated needs within these classifications for the coming fiscal year.

CDD – Department Operating Budget Summary (Vanpool Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Use of Money and Property	954	104	271	965	994	694	256.1%	29	3.0%
Intergovernmental	19,982	30,162	29,892	34,825	35,870	4,933	16.5%	1,045	3.0%
Charges for Services	5,811	20,827	21,180	34,650	35,690	13,470	63.6%	1,040	3.0%
Operating Transfers In	96,283	86,358	213,654	157,590	159,699	(56,064)	-26.2%	2,109	1.3%
Total Revenues	\$ 123,030	\$ 137,451	\$ 264,997	\$ 228,030	\$ 232,253	\$ (36,967)	-13.9%	\$ 4,223	1.8%
Expenditures									
Salaries and Employee Benefits	73,337	50,232	115,622	109,030	113,252	(6,592)	-5.7%	4,222	3.9%
Materials, Supplies & Maintenance	49,502	86,561	142,490	117,500	117,500	(24,990)	-17.5%	-	0.0%
Professional/Contract Services & Utilities	-	560	6,500	1,000	1,000	(5,500)	-84.6%	-	0.0%
Training, Travel & Membership Dues	191	99	385	500	500	115	29.9%	-	0.0%
Total Expenditures	\$ 123,030	\$ 137,452	\$ 264,997	\$ 228,030	\$ 232,252	\$ (36,967)	-13.9%	\$ 4,222	1.8%
Revenues Less Expenditures	\$ -	\$ (1)	\$ -	\$ -	\$ 1				

The Vanpool Fund summary table above shows a projected decrease of \$37,000 (-13.9%) across various revenue classifications to re-align the budget with anticipated revenues for the coming fiscal year. The Vanpool Fund's projected decrease of \$6,600 (-5.7%) in the **Salaries and Employee Benefits** expenditure classification is a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. CDD also

made several adjustments to the Vanpool Fund's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** expenditure classifications to re-align the budget with anticipated needs within these classifications for the coming fiscal year.

CDD – Department Personnel Summary (General Fund and Non-General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Admin Project Aide	-	0.75	0.50	0.50	0.50	-	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Assistant	3.00	3.00	3.00	3.00	3.00	-	-
Assistant Bldg Regulations Manager	1.00	1.00	1.00	1.00	1.00	-	-
Assistant Engineer	5.00	5.00	5.00	5.00	5.00	-	-
Associate Engineer	1.00	1.00	1.00	1.00	1.00	-	-
Bldg Inspection Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Building Regulations Administrator	1.00	1.00	1.00	1.00	1.00	-	-
Business Manager	-	-	1.00	1.00	1.00	-	-
Code Enforcement Officer	-	-	-	4.00	4.00	4.00	-
Code Enforcement Officer, Sr	-	-	-	2.00	2.00	2.00	-
Community Development Director	1.00	1.00	1.00	1.00	1.00	-	-
Deputy Comm Development Dir	1.00	1.00	-	-	-	-	-
Electrical Inspector, Sr	1.00	1.00	1.00	1.00	1.00	-	-
Engineering Technician I	3.00	4.00	3.00	3.00	3.00	-	-
Engineering Technician III	1.00	1.00	1.00	1.00	1.00	-	-
Environmental Qual Officer	4.00	4.00	5.00	1.00	1.00	(4.00)	-
Environmental Qual Officer, Sr	2.00	2.00	2.00	-	-	(2.00)	-
Housing Specialist	3.00	3.00	3.00	3.00	3.00	-	-
Housing Supervisor	-	-	1.00	1.00	1.00	-	-
Inspector, Building	2.00	2.00	2.00	2.00	2.00	-	-
Inspector, Mech & Plumbing, Sr	1.00	2.00	2.00	2.00	2.00	-	-
Inspector, Public Works	2.00	2.00	3.00	3.00	3.00	-	-
Neighborhood Services Manager	-	-	1.00	1.00	1.00	-	-
Permit Center Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Permit Technician I	4.00	4.00	4.00	4.00	4.00	-	-
Permit Technician II	2.00	2.00	2.00	2.00	2.00	-	-
Planning Assistant	4.00	4.00	4.00	4.00	4.00	-	-
Planning Associate	8.50	8.50	7.50	7.50	7.50	-	-
Plans Examiner	3.00	3.00	3.00	3.00	3.00	-	-
Principal Planner	2.00	2.00	2.00	2.00	2.00	-	-
Rehabilitation Specialist	1.00	-	-	-	-	-	-
Senior Building Inspector	3.00	3.00	3.00	3.00	3.00	-	-
Supervising Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Supervising Plans Examiner	1.00	1.00	1.00	1.00	1.00	-	-
Systems Analyst	-	1.00	1.00	1.00	1.00	-	-
Total FTE	64.50	67.25	69.00	69.00	69.00	-	-

CDD's FY23-24 staffing budget will remain unchanged, except for the conversion of 4.0 FTE Environmental Quality Officers to 4.0 FTE Code Enforcement Officers and the conversion of 2.0 FTE Senior Environmental Quality Officers to 2.0 FTE Senior Code Enforcement Officers which were all previously approved by City Council in February 2023 as part of the FY22-23 First Quarter Program Modifications.

Community Services

Mission Statement

The mission of the Community Services Department is to enrich the community through recreational, cultural, and educational opportunities for persons of all ages, abilities, and backgrounds. The Community Services Department provides management, maintenance, and stewardship of the City’s public open space including parks, landscaped areas, and natural resources. They provide quality service in a cooperative, responsive, and cost-effective manner.

Functional Responsibilities

The Community Services Department’s responsibilities include the provision of affordable leisure and learning opportunities for all citizens with an emphasis on serving the City’s youth; the management and maintenance of public facilities and open space that result in a safe and enriching environment; and the delivery of a wide range of services and programs that recognize and respect the differences that exist in Torrance’s diverse population, foster a sense of personal growth and belonging, and contribute to an improved quality of life within the community. The Community Services Department manages areas in Cultural Arts, Library, and Parks and Recreation.

Department Organization



Community Services – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Education, Diversity and Enrichment		
Goal:	Coordinate organized youth sport activities with public, private, and non-profit organizations.	Ongoing
Goal:	Increase outreach and marketing to promote participation.	Complete
Goal:	Enhance library resources and services.	Ongoing
Goal:	Better communicate and publicize all educational opportunities and resources.	Ongoing
Strategic Plan Priority: Appearance, Character and Quality of the Community		
Goal:	Encourage well-maintained open space.	Complete

Key Performance Indicators		2022
KPI:	Total number of customers served at Torrance Farmers Market	51,228
KPI:	Total number of Youth Sports participants	1,765
KPI:	Total number of Registration Transactions processed	15,818
KPI:	Total number of drop-in lap swim participants	25,647
KPI:	Total number of library visitors	137,076

Community Services – Department Operating Budget Summary (General Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Licenses, Fees and Permits	235,486	151,162	126,274	152,923	157,511	26,649	21.1%	4,588	3.0%
Use of Money and Property	158,995	446,770	1,034,149	532,052	548,013	(502,097)	-48.6%	15,961	3.0%
Intergovernmental	9,738	20,000	57,043	35,650	36,362	(21,393)	-37.5%	712	2.0%
Other Revenues	27,434	99,404	57,832	-	-	(57,832)	-100.0%	-	0.0%
Charges for Services	1,852,503	4,211,909	5,016,255	4,536,496	4,672,589	(479,759)	-9.6%	136,093	3.0%
Operating Transfers In	16,500	44,503	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 2,300,656	\$ 4,973,748	\$ 6,291,553	\$ 5,257,121	\$ 5,414,475	\$ (1,034,432)	-16.4%	\$ 157,354	2.9%
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Expenditures									
Salaries and Employee Benefits	26,042,045	14,568,563	16,332,206	16,274,666	16,899,925	(57,540)	-0.4%	625,259	3.8%
Salaries and Benefits Reimbursements	(126)	(1,563)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	1,716,962	2,386,987	3,084,650	3,079,996	3,214,910	(4,654)	-0.2%	134,914	4.4%
Materials Reimbursements	(79,413)	(64,926)	(63,351)	(93,351)	(93,351)	(30,000)	47.4%	-	0.0%
Professional/Contract Services & Utilities	2,326,410	3,043,080	3,270,350	3,708,695	3,868,445	438,345	13.4%	159,750	4.3%
Training, Travel & Membership Dues	17,379	13,418	26,619	37,922	39,060	11,303	42.5%	1,138	3.0%
Liabilities, Settlements & Insurance	85,860	63,316	97,390	28,401	28,401	(68,989)	-70.8%	-	0.0%
Interdepartmental Charges	1,413,930	493,469	1,429,500	978,813	1,080,578	(450,687)	-31.5%	101,765	10.4%
Capital Acquisitions	20,874	19,271	40,218	40,217	40,217	(1)	0.0%	-	0.0%
Other Operating Transfers Out	139,726	146,717	96,716	76,858	76,858	(19,858)	-20.5%	-	0.0%
Total Expenditures	\$ 31,683,647	\$ 20,668,332	\$ 24,314,298	\$ 24,132,217	\$ 25,155,043	\$ (182,081)	-0.7%	\$ 1,022,826	4.1%
Revenues Less Expenditures	\$ (29,382,991)	\$ (15,694,584)	\$ (18,022,745)	\$ (18,875,096)	\$ (19,740,568)				

As shown in the summary table above, the **Use of Money and Property** and **Charges for Services** revenue classifications are anticipated to decrease by \$502,100 (-48.6%) and \$479,800 (-9.6%), respectively. This is primarily driven by re-aligning the budget for the coming fiscal year based on projected year-end outcomes. The **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$57,500 (-0.4%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost

elements. Moreover, the department's **Interdepartmental Charges** and **Other Operating Transfers Out** expenditure classifications are projected to decrease by \$450,700 (-31.5%) and \$19,900 (-20.5%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and Community Services staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$455,000 in recurring (General Fund) non-wage cost savings for the department. Community Services also adjusted the department's FY23-24 operating budget in the **Professional/Contract Services & Utilities** classification. These budget changes account for major cost drivers associated with the repair and maintenance of park amenities (+\$40,500). After applying these non-wage changes to the CIT Department's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; and Training Travel & Membership Dues.**

Community Services – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Admin Services Manager	1.00	1.00	-	-	-	-	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Assistant	4.00	4.00	4.00	5.00	5.00	1.00	-
Aide, Environmental	1.00	1.00	0.50	0.50	0.50	-	-
Animal Control Officer	-	3.00	2.00	2.00	2.00	-	-
Aquatics Instructor	4.70	4.70	4.70	1.68	1.68	(3.02)	-
Aquatics Program Coordinator	1.00	1.00	1.00	-	-	(1.00)	-
Assistant City Librarian	2.00	2.00	2.00	2.00	2.00	-	-
City Librarian	1.00	1.00	1.00	1.00	1.00	-	-
Community Services Director	1.00	1.00	1.00	1.00	1.00	-	-
Community Svcs Ldr I	16.25	17.02	-	-	-	-	-
Community Svcs Ldr II	28.38	28.94	-	-	-	-	-
Community Svcs Ldr III	18.20	17.96	-	-	-	-	-
Community Svcs Ldr IV	7.80	7.84	-	-	-	-	-
Cultural Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Farmers' Market Manager	1.00	1.00	1.00	1.00	1.00	-	-
Home Impr Prog Coordinator	1.00	1.00	1.00	1.00	1.00	-	-
Home Impr Prog Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Instructor I	3.10	3.10	3.10	1.00	1.00	(2.10)	-
Instructor II	1.20	1.20	1.20	0.43	0.43	(0.77)	-
Lead Maintenance Worker	15.00	15.00	15.00	15.00	15.00	-	-
Librarian	13.00	13.00	13.00	13.00	13.00	-	-
Library Page	13.50	13.50	13.50	13.50	13.50	-	-
Library Technician	13.50	13.50	13.50	13.50	13.50	-	-
Lifeguard	3.10	3.10	3.10	5.77	5.77	2.67	-
Maintenance Worker	20.50	20.50	20.50	20.50	20.50	-	-
Nature Center Mgr/Naturalist	1.00	1.00	1.00	1.00	1.00	-	-
Office Assistant	1.00	1.00	1.00	-	-	(1.00)	-
Park Services Supervisor	3.00	3.00	3.00	3.00	3.00	-	-
Parks Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Pest Control Technician	1.00	1.00	1.00	1.00	1.00	-	-
Pool Cashier - Clerk	0.40	0.40	0.40	-	-	(0.40)	-
Pool Locker Room Attendant	3.00	3.00	3.00	-	-	(3.00)	-
Pool Manager, Assistant	2.00	2.00	2.00	1.06	1.06	(0.94)	-
Program Coordinator	6.80	6.80	5.80	6.00	6.00	0.20	-
Program Leader	-	-	45.96	36.16	36.16	(9.80)	-
Program Specialist	-	-	17.96	17.23	17.23	(0.73)	-
Ranger Supervisor	-	-	1.00	1.00	1.00	-	-
Recreation Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Recreation Supervisor	6.00	6.00	6.00	6.00	6.00	-	-
Recreation Supvsr, Sr	6.00	6.00	5.00	4.00	4.00	(1.00)	-
Senior Admin Assistant	1.00	1.00	1.00	-	-	(1.00)	-
Senior Librarian	4.00	4.00	4.00	4.00	4.00	-	-
Senior Library Page	5.50	5.50	5.50	5.50	5.50	-	-
Senior Library Technician	9.00	9.00	9.00	9.00	9.00	-	-
Senior Program Specialist	-	-	7.84	7.57	7.57	(0.28)	-
Staff Assistant	-	0.80	0.80	0.80	0.80	-	-
Supervising Admin Assistant	-	-	-	1.00	1.00	1.00	-
Total FTE	225.93	230.86	227.36	207.19	207.19	(20.17)	-

The FY23-24 staffing budget for Community Services is recommended to decrease by 19.37 FTE. Apart from this decrease across multiple pooled job classifications, all other changes shown in the summary table above were previously approved by City Council in February 2023 as part of the FY22-23 First Quarter Program Modifications.

Finance

Mission Statement

The mission of the Finance Department is to provide financial administration and protect the City's assets while providing and supporting the Torrance community with sound financial advice in a timely, cost-effective, and professional manner.

Functional Responsibilities

The Finance Department is responsible for financial administration, budgeting, purchasing, accounting and auditing for City fiscal resources, the issuing of business licenses, and the billing and collection of all monies due to the City. The Finance Director assists the City Manager with preparing and administering the operating and capital improvement budgets, serves as an advisor to the Land Management Team, and presents an annual audited statement of the City's financial condition to City Council that is prepared in accordance with governmental reporting standards according to the Governmental Accounting Standards Board (GASB). The Finance Department also administers risk management programs whose objectives are to contain costs related to liability and worker's compensation loss.

Department Organization



Finance – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Communication and Civic Involvement		
Goal:	Maintain a diversified revenue and economic base.	Ongoing
Goal:	Provide easily understandable fiscal and revenue information.	Complete
Goal:	Monitor local, national, and global economic conditions.	Complete
Goal:	Pursue regionally attractive business tax structure to maintain a competitive revenue base.	Ongoing
Strategic Plan Priority: Responsive, Accountable and Cost-Effective Government		
Goal:	Maximize process and procedure streamlining.	Complete
Goal:	Utilize quality tools, including operational audits, objective measurements, and assessments.	Complete

Key Performance Indicators		2022
KPI:	Total number of accounts payable invoices processed	16,736
KPI:	Total number of payroll payments issued	36,994
KPI:	Total number of W-2s issued	1,889
KPI:	Total number of business license issued	13,727
KPI:	Total number of purchase orders issued	641
KPI:	Total number of financial awards received	2

Finance – Department Operating Budget Summary (General Fund)

Expenditures	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Salaries and Employee Benefits	8,398,386	3,693,215	4,556,806	4,430,536	4,619,514	(126,270)	-2.8%	188,978	4.3%
Salaries and Benefits Reimbursements	(780,882)	(130,803)	-	(133,000)	(133,000)	(133,000)	0.0%	-	0.0%
Materials, Supplies & Maintenance	52,918	84,915	103,582	70,727	72,884	(32,855)	-31.7%	2,157	3.0%
Materials Reimbursements	(121,992)	(117,515)	(150,000)	-	-	150,000	-100.0%	-	0.0%
Professional/Contract Services & Utilities	1,325,199	1,593,433	1,262,179	1,675,955	1,716,004	413,776	32.8%	40,049	2.4%
Training, Travel & Membership Dues	8,603	8,699	16,742	17,742	18,004	1,000	6.0%	262	1.5%
Liabilities, Settlements & Insurance	13,939	-	2,992	-	-	(2,992)	-100.0%	-	0.0%
Interdepartmental Charges	256,600	37,663	138,333	141,694	155,855	3,361	2.4%	14,161	10.0%
Capital Acquisitions	8,178	6,773	32,300	27,301	27,301	(4,999)	-15.5%	-	0.0%
Other Operating Transfers Out	41,021	40,820	26,950	20,479	20,479	(6,471)	-24.0%	-	0.0%
Total Expenditures	\$ 9,201,970	\$ 5,217,200	\$ 5,989,884	\$ 6,251,434	\$ 6,497,041	\$ 261,550	4.4%	\$ 245,607	3.8%

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$126,300 (-2.8%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. The **Interdepartmental Charges**, and **Other Operating Transfers Out** classifications are projected to increase by \$3,400 (+2.4%) and decrease by \$6,500 (-24.0%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance staff worked collaboratively to complete the zero-based budget

exercise, yielding approximately \$198,000 in recurring (General Fund) non-wage cost savings for the department. Finance also adjusted the department's FY23-24 operating budget in the **Professional/Contract Services & Utilities** classification. These budget changes account for major cost drivers associated with business license tax collection and auditing services (+\$325,000), the cost of which is offset by revenues collected, financial auditing services for the Measure SST Fund and other required services (+\$25,000), increase to payroll processing contract (+\$45,000), increase to legal services (+\$200,000), and enhancements to IT general controls (+\$40,000). After applying these non-wage changes to the Finance Department's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities;** and **Training Travel & Membership Dues**.

Finance – Department Operating Budget Summary (Self-Insurance Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Other Revenues	9,267	3,352,492	-	-	-	-	0.0%	-	0.0%
Charges for Services	2,739,843	8,222,907	17,347,600	20,668,500	22,725,450	3,320,900	19.1%	2,056,950	10.0%
Operating Transfers In	11,319,045	12,000,000	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 14,068,155	\$ 23,575,399	\$ 17,347,600	\$ 20,668,500	\$ 22,725,450	\$ 3,320,900	19.1%	\$ 2,056,950	9.1%
Expenditures									
Salaries and Employee Benefits	841,556	914,278	1,046,209	1,022,902	1,068,816	(23,307)	-2.2%	45,914	4.5%
Materials, Supplies & Maintenance	12,906	16,929	30,683	25,725	26,645	(4,958)	-16.2%	920	3.6%
Professional/Contract Services & Utilities	130,047	61,511	783,279	660,030	683,528	(123,249)	-15.7%	23,498	3.6%
Training, Travel & Membership Dues	1,324	4,081	8,500	8,500	8,755	-	0.0%	255	3.0%
Liabilities, Settlements & Insurance	8,164,442	20,012,571	16,509,363	18,344,252	20,030,217	1,834,889	11.1%	1,685,965	9.2%
Interdepartmental Charges	27,276	-	-	228,527	235,911	228,527	0.0%	7,384	3.2%
Other Operating Transfers Out	8,985	9,725	6,951	4,354	4,354	(2,597)	-37.4%	-	0.0%
Bad Debts and Other Losses	5,551,661	8,150,665	8,200,000	8,200,000	8,200,000	-	0.0%	-	0.0%
Total Expenditures	\$ 14,738,197	\$ 29,169,760	\$ 26,584,985	\$ 28,494,290	\$ 30,258,226	\$ 1,909,305	7.2%	\$ 1,763,936	5.8%
Revenues Less Expenditures	\$ (670,042)	\$ (5,594,361)	\$ (9,237,385)	\$ (7,825,790)	\$ (7,532,776)				

As shown in the Self-Insurance Fund summary table above, the **Charges for Services** revenue classification is anticipated to increase by \$3.3 million (+19.1%) to continue efforts in working towards a structurally balanced budget. The Self-Insurance Fund's **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$23,300 (-2.2%), a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. Moreover, the **Other Operating Transfers Out** classification is projected to decrease by \$2,600 (-37.4%) after recalculating the contributions to the City's PC Replacement Fund.

Finance also made several adjustments to the Self-Insurance Fund's FY23-24 operating budget in the **Liabilities, Settlements & Insurance** classification. These budget changes account for major cost drivers associated with anticipated increases in liability insurance premiums for the coming

fiscal year. Moreover, the **Interdepartmental Charges** classification is projected to increase by \$228,500 after implementing an Indirect Cost Rate. After applying these non-wage changes to the Self-Insurance operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities;** and **Training Travel & Membership Dues.**

Finance – Department Personnel Summary (General Fund and Non-General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Account Clerk	6.00	6.00	5.00	5.00	5.00	-	-
Account Clerk, Senior	7.00	7.00	-	-	-	-	-
Accountant	6.00	6.00	6.00	5.00	5.00	(1.00)	-
Accountant, Senior	3.00	3.00	3.00	3.00	3.00	-	-
Accounting Manager	1.00	1.00	1.00	1.00	1.00	-	-
Accounting Technician	-	-	5.00	5.00	5.00	-	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Assistant Finance Director	1.00	1.00	1.00	1.00	1.00	-	-
Audit Manager	1.00	1.00	-	-	-	-	-
Buyer	1.00	1.00	1.00	1.00	1.00	-	-
Claims Technician	3.00	3.00	3.00	3.00	3.00	-	-
Deputy Finance Director	-	-	0.75	0.75	0.75	-	-
Finance Director	1.00	1.00	1.00	1.00	1.00	-	-
Intern	2.00	2.00	-	-	-	-	-
License Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Payroll Specialist	-	-	2.00	2.00	2.00	-	-
Policy & Resources Specialist	-	-	-	1.00	1.00	1.00	-
Revenue Manager	1.00	1.00	1.00	1.00	1.00	-	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Senior Business Manager	3.00	3.00	3.00	3.00	3.00	-	-
Senior Buyer	1.00	1.00	1.00	1.00	1.00	-	-
Staff Assistant	1.00	1.00	-	-	-	-	-
Systems Analyst	1.00	1.00	-	-	-	-	-
Workers' Comp Claims Examiner	2.00	2.00	2.00	2.00	2.00	-	-
Workers Comp Manager	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	46.00	46.00	40.75	40.75	40.75	-	-

The Finance Department's FY23-24 staffing budget has a recommended conversion of 1.0 FTE Accountant to 1.0 FTE Policy Resource Specialist, with the total FTE count remaining at 40.75. These staffing changes will support upward mobility and improve the quality of financial budget projections.

Fire

Mission Statement

The mission of the Fire Department is to protect, serve, and improve the quality of life for the entire community through proactive emergency response, risk reduction, and community engagement.

Functional Responsibilities

The Fire Department is responsible for ensuring the safety of life and property from fires, explosions, hazardous conditions, and natural disasters occurring within the City of Torrance; the inspection and correction of any fire or life hazard found; the enforcement of the penal provisions of ordinances of the city and laws of the State and Federal governments; the investigation, gathering, and preservation evidence; apprehension and prosecution of arsonists; education of the public on fire prevention, fire safety, cardiopulmonary resuscitation (CPR), and first aid; and providing emergency medical care for life-threatening or traumatic injuries.

Department Organization



Fire – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Safe, Secure and Equitable Community		
Goal:	Maintain continued excellence in Public Safety Services.	Complete
Goal:	Maintain and improve rapid response to accidents and medical emergencies.	Complete
Goal:	Ensure that all City of Torrance emergency plans include HF/MHF releases in all credible scenarios (i.e., natural and/or human-made disasters), and coordinate with all stakeholder agencies in planning and training efforts.	Ongoing
Strategic Plan Priority: Education, Diversity and Enrichment		
Goal:	Recruit a representative population of the community when selecting members for various commissions, committees and other non-elected bodies within the City.	Ongoing
Strategic Plan Priority: Responsive, Accountable and Cost-Effective Government		
Goal:	Continue to monitor new legal challenges to district voting and assess applicability to the City.	Ongoing
Goal:	Maintain and broaden online access to public records and information.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of rescue and emergency medical service incidents	12,433
KPI:	Total number of fire incidents	174
KPI:	Total number of fire and life safety inspections performed	949
KPI:	Total number of documents digitized	2,464
KPI:	Total number of subpoenas processed	213

Fire – Department Operating Budget Summary (General Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Licenses, Fees and Permits	52,231	247,954	150,000	181,656	187,106	31,656	21.1%	5,450	3.0%
Other Revenues	125,453	-	10,000	-	-	(10,000)	-100.0%	-	0.0%
Charges for Services	3,397,471	8,089,610	9,312,233	10,084,175	10,387,291	771,942	8.3%	303,116	3.0%
Operating Transfers In	701,568	6,279	1,807,785	1,852,980	1,904,396	45,195	2.5%	51,416	2.8%
Other Financing Sources	-	1,560,528	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 4,276,723	\$ 9,904,371	\$ 11,280,018	\$ 12,118,811	\$ 12,478,793	\$ 838,793	7.4%	\$ 359,982	2.9%
Expenditures									
Salaries and Employee Benefits	146,419,333	46,717,906	49,759,228	51,192,568	53,783,621	1,433,340	2.9%	2,591,053	5.1%
Salaries and Benefits Reimbursements	(1,425)	(1,375)	-	(1,000,000)	(1,000,000)	(1,000,000)	0.0%	-	0.0%
Materials, Supplies & Maintenance	1,385,937	1,642,057	2,448,477	4,258,860	4,459,699	1,810,383	73.9%	200,839	4.7%
Materials Reimbursements	(50,000)	(2,096)	-	(75,000)	(75,000)	(75,000)	0.0%	-	0.0%
Professional/Contract Services & Utilities	549,513	1,003,001	1,164,474	1,396,336	1,424,080	231,862	19.9%	27,744	2.0%
Training, Travel & Membership Dues	77,651	116,746	104,814	127,063	130,507	22,249	21.2%	3,444	2.7%
Liabilities, Settlements & Insurance	51,382	34,657	55,775	10,000	10,000	(45,775)	-82.1%	-	0.0%
Interdepartmental Charges	590,136	826,966	3,102,960	2,884,820	3,174,293	(218,140)	-7.0%	289,473	10.0%
Debt Service	-	242,703	242,703	242,703	242,703	-	0.0%	-	0.0%
Capital Acquisitions	337,888	1,747,987	186,958	151,658	151,658	(35,300)	-18.9%	-	0.0%
Other Operating Transfers Out	293,830	162,046	60,792	55,195	55,195	(5,597)	-9.2%	-	0.0%
Total Expenditures	\$ 149,654,245	\$ 52,490,598	\$ 57,126,181	\$ 59,244,203	\$ 62,356,756	\$ 2,118,022	3.7%	\$ 3,112,553	5.0%
Revenues Less Expenditures	\$ (145,377,522)	\$ (42,586,227)	\$ (45,846,163)	\$ (47,125,392)	\$ (49,877,963)				

As shown in the summary table above, the **Charges for Services** revenue classification is anticipated to increase by \$771,900 (+8.3%), primarily driven by re-aligning the budget for the coming fiscal year based on projected year-end outcomes and layering on the revenues from the new Ground Emergency Medical Transport (PP-GEMT) program for a full budget cycle. The

Operating Transfers In revenue classification represents funding allocations from the Measure SST Fund to support the Fire Department’s staffing levels. The **Salaries and Employee Benefits** expenditure classification is projected to increase by \$1.4 million (+2.9%), a net result of changes in the department’s budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. Moreover, the department’s **Interdepartmental Charges** and **Other Operating Transfers Out** expenditure classifications are projected to decrease by \$218,100 (-7.0%) and \$5,600 (-9.2%), respectively. This is the result of recalculating the department’s contributions to the City’s Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and Fire staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$426,000 in recurring (General Fund) non-wage cost savings for the department. The Fire Department also made several adjustments to their FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with changes in the Ground Emergency Medical Transportation contract (+\$246,000), Emergency Medical Services (“EMS”) quality assurance services (+\$39,000), increase to third-party EMS billing services (+\$20,000), and legal services (+\$25,000). After applying these non-wage changes to the Fire Department’s operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; and Training Travel & Membership Dues.**

Fire – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Admin Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Analyst	2.00	3.00	2.00	2.00	2.00	-	-
Administrative Assistant	2.00	3.00	2.00	2.00	2.00	-	-
Ambulance Operator	-	22.00	29.00	35.00	35.00	6.00	-
Business Manager	-	-	1.00	1.00	1.00	-	-
Deputy Fire Chief	1.00	1.00	1.00	-	-	(1.00)	-
Emergency Med Svcs Coordinator	1.00	1.00	1.00	1.00	1.00	-	-
Emergency Services Manager	1.00	1.00	-	-	-	-	-
Fire Battalion Chief-Manager	6.00	6.00	6.00	6.00	6.00	-	-
Fire Captain	28.00	28.00	28.00	29.00	29.00	1.00	-
Fire Chief	1.00	1.00	1.00	1.00	1.00	-	-
Fire Engineer	27.00	27.00	27.00	27.00	27.00	-	-
Fire Fighter	81.00	81.00	81.00	81.00	81.00	-	-
Fire Prevention Manager	1.00	1.00	1.00	1.00	1.00	-	-
Fire Prevention Specialist	7.00	7.00	6.00	6.00	6.00	-	-
Fire Prevention Specialist Supervisor	-	-	-	1.00	1.00	1.00	-
Fire Prevention Specialist, Sr	2.00	2.00	3.00	3.00	3.00	-	-
Intern	0.50	0.50	0.50	0.50	0.50	-	-
Office Assistant	2.00	2.00	2.00	2.00	2.00	-	-
Policy & Resources Specialist	-	-	1.00	1.00	1.00	-	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Staff Assistant	-	1.00	-	-	-	-	-
Total FTE	164.50	189.50	194.50	201.50	201.50	7.00	-

The Fire Department's FY23-24 staffing budget has a recommended net increase of 1.0 FTE. This includes converting 1.0 FTE Deputy Fire Chief to 1.0 FTE Fire Battalion Chief-Manager (premium assigned), converting 1.0 FTE Battalion Chief to 1.0 FTE Fire Captain, and adding 1.0 FTE Fire Prevention Specialist Supervisor. These staffing changes will support recruitment and succession planning through by civilianizing positions in the department's Community Risk Reduction Division. The addition of 6.0 FTE Ambulance Operators was previously approved by City Council in March 2023 as part of the FY22-23 Mid-Year Program Modifications.

General Services Department

Mission Statement

The mission of the Department of General Services is to provide quality services that support City departments in a manner which enable them to carry-out their community missions and to provide these services at a cost-effective and efficient manner which best serves the operational needs of City departments and the community.

Functional Responsibilities

The Department of General Services maintains all City building and building systems in a good, presentable, and clean condition and provides a healthy and comfortable environment within the buildings in a manner which meets the operational needs for City departments the community. The Department of General Services is also responsible for airport administration, building maintenance, central services, Cultural Arts Center administration, custodial services, fleet services, graffiti abatement program, HVAC/electrical services, and warehouse services. All of these services are provided in an efficient and cost-effective manner.

Department Organization



General Services – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Education, Diversity and Enrichment		
Goal:	Optimize the creative use of the Cultural Arts Center.	Ongoing
Strategic Plan Priority: Reliable Revenue Base and Effective Asset Management		
Goal:	Use and explore the latest technology to maintain an inventory of the City's physical assets and equipment, including value and condition.	Ongoing
Strategic Plan Priority: Stewardship of the Environment		
Goal:	Incorporate environmental stewardship goals and policies using best practices in all the City's plans and implementation programs, including metrics to the extent feasible.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of work orders completed	2,000
KPI:	Total number of events at Cultural Arts Center	500
KPI:	Total number of calls for graffiti abatement services	6,000

General Services –Department Operating Budget Summary (General Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Other Revenues	4,891	-	-	-	-	-	0.0%	-	0.0%
Charges for Services	84,899	874,461	907,220	1,222,919	1,259,607	315,699	34.8%	36,688	3.0%
Operating Transfers In	10,500	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 100,290	\$ 874,461	\$ 907,220	\$ 1,222,919	\$ 1,259,607	\$ 315,699	34.8%	\$ 36,688	2.9%
Expenditures									
Salaries and Employee Benefits	10,761,066	5,893,129	6,873,403	6,790,821	7,054,349	(82,582)	-1.2%	263,528	3.9%
Salaries and Benefits Reimbursements	(2,027,167)	(19,659)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	1,069,771	1,172,015	1,448,423	1,643,984	1,789,255	195,561	13.5%	145,271	8.8%
Materials Reimbursements	(1,044,359)	(106,512)	-	(97,000)	(97,000)	(97,000)	0.0%	-	0.0%
Professional/Contract Services & Utilities	1,052,807	1,471,125	1,273,362	1,581,539	1,640,583	308,177	24.2%	59,044	3.7%
Training, Travel & Membership Dues	1,251	2,080	10,680	10,831	11,151	151	1.4%	320	3.0%
Liabilities, Settlements & Insurance	15,767	-	29,355	-	-	(29,355)	-100.0%	-	0.0%
Interdepartmental Charges	221,370	134,310	482,597	477,989	525,829	(4,608)	-1.0%	47,840	10.0%
Capital Acquisitions	4,487	-	5,500	5,500	5,500	-	0.0%	-	0.0%
Other Operating Transfers Out	82,892	35,061	19,424	15,689	15,689	(3,735)	-19.2%	-	0.0%
Total Expenditures	\$ 10,137,885	\$ 8,581,549	\$ 10,142,744	\$ 10,429,353	\$ 10,945,356	\$ 286,609	2.8%	\$ 516,003	4.7%
Revenues Less Expenditures	\$ (10,037,595)	\$ (7,707,088)	\$ (9,235,524)	\$ (9,206,434)	\$ (9,685,749)				

As shown in the summary table above, the **Charges for Services** revenue classification is anticipated to increase by \$315,700 (+34.8%), primarily driven by re-aligning the budget for the coming fiscal year based on projected year-end outcomes. The **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$82,600 (-1.2%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. Moreover, the **Interdepartmental Charges** and **Other Operating Transfers Out** expenditure classifications are projected to decrease by \$4,600 (-1.0%) and \$3,700 (-19.2%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and General Services staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$142,000 in recurring (General Fund) non-wage cost savings for the department. General Services also made several adjustments to the department's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** expenditure classifications. These budget changes account for major cost drivers associated with the increase to citywide graffiti removal services (+\$31,000), and a shift from CDD's operating budget to the General Services operating budget for the maintenance of electric vehicle chargers (+\$18,000). After applying these non-wage changes to the General Services operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; and Training Travel & Membership Dues.**

General Services – Department Operating Budget Summary (Airport Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Use of Money and Property	60,644	13,443,648	85,000	341,485	341,485	256,485	301.7%	-	0.0%
Other Revenues	469,720	0	500,000	250,000	-	(250,000)	-50.0%	(250,000)	-100.0%
Charges for Services	15,027,751	6,664,325	22,779,106	16,433,244	16,929,518	(6,345,862)	-27.9%	496,274	3.0%
Operating Transfers In	973,068	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 16,531,183	\$ 20,107,973	\$ 23,364,106	\$ 17,024,729	\$ 17,271,003	\$ (6,339,377)	-27.1%	\$ 246,274	1.4%
Expenditures									
Salaries and Employee Benefits	2,473,424	1,417,278	1,465,638	1,449,532	1,510,496	(16,106)	-1.1%	60,964	4.2%
Salaries and Benefits Reimbursements	(27,375)	(8,023)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	82,560	167,200	157,573	231,870	241,715	74,297	47.2%	9,845	4.2%
Materials Reimbursements	(71)	(808)	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services & Utilities	518,340	633,456	1,290,648	1,397,613	1,429,246	106,965	8.3%	31,633	2.3%
Training, Travel & Membership Dues	850	1,051	10,815	10,815	11,139	-	0.0%	324	3.0%
Depreciation and Amortization	221,988	213,461	275,000	283,250	299,998	8,250	3.0%	16,748	5.9%
Liabilities, Settlements & Insurance	16,280	12,393	14,536	14,536	14,675	-	0.0%	139	1.0%
Interdepartmental Charges	467,034	349,367	508,407	570,005	602,644	61,598	12.1%	32,639	5.7%
Asset Contra Account	(21,810)	-	-	-	-	-	0.0%	-	0.0%
Other Operating Transfers Out	11,491,875	11,917,606	20,269,418	10,483,892	14,134,749	(9,785,526)	-48.3%	3,650,857	34.8%
Bad Debts and Other Losses	191	35,419	15,000	15,000	15,000	-	0.0%	-	0.0%
Total Expenditures	\$ 15,223,286	\$ 14,738,400	\$ 24,007,035	\$ 14,456,513	\$ 18,259,662	\$ (9,550,522)	-39.8%	\$ 3,803,149	20.8%
Revenues Less Expenditures	\$ 1,307,897	\$ 5,369,573	\$ (642,929)	\$ 2,568,216	\$ (988,659)				

As shown in the Airport Fund summary table above, the **Other Revenues** classification is projected to decrease by \$250,000 (-50.0%) due to reductions in litigation claim reimbursements and the **Charges for Services** classification is anticipated to decrease by \$6.3 million (-27.9%) due to one-time land lease signing revenue realized in FY22-23. The **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$16,100 (-1.1%), a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related

cost elements. Moreover, the Airport Fund's **Interdepartmental Charges** and **Other Operating Transfers Out** classifications are projected to increase by \$30,000 (+5.9%) and decrease by \$9.3 million (-47.1%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund, Indirect Cost rates, PC Replacement Fund, General Fund (one-time land lease signing revenue), and the City's Capital Improvement Plan.

General Services – Department Operating Budget Summary (Fleet Services Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Use of Money and Property	3,023,942	2,877,726	3,879,263	5,347,909	5,997,063	1,468,646	37.9%	649,154	12.1%
Other Revenues	342,141	327,947	80,464	80,464	80,464	-	0.0%	-	0.0%
Charges for Services	2,756,372	2,970,815	4,693,325	6,693,324	6,894,124	1,999,999	42.6%	200,800	3.0%
Operating Transfers In	2,757,333	-	975,130	-	-	(975,130)	-100.0%	-	0.0%
Total Revenues	\$ 8,879,788	\$ 6,176,488	\$ 9,628,182	\$ 12,121,697	\$ 12,971,651	\$ 2,493,515	25.9%	\$ 849,954	6.6%
Expenditures									
Salaries and Employee Benefits	6,276,465	3,234,433	3,772,636	3,822,706	3,974,315	50,070	1.3%	151,609	4.0%
Salaries and Benefits Reimbursements	-	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	53,259	25,213	336,354	1,545,954	1,561,950	1,209,600	359.6%	15,996	1.0%
Parts, Fuel & Lubricants Inventory Purchase	2,169,199	2,652,577	2,853,100	2,938,693	3,026,854	85,593	3.0%	88,161	3.0%
Parts, Fuel & Lubricants Contra	(2,169,199)	(2,652,577)	(2,853,100)	(2,938,693)	(3,026,854)	(85,593)	3.0%	(88,161)	3.0%
Professional/Contract Services & Utilities	53,166	70,252	69,558	94,080	96,167	24,522	35.3%	2,087	2.2%
Training, Travel & Membership Dues	9,001	27,715	51,809	51,809	53,363	-	0.0%	1,554	3.0%
Depreciation and Amortization	1,350,270	1,171,923	1,419,000	1,627,400	1,723,622	208,400	14.7%	96,222	5.9%
Liabilities, Settlements & Insurance	7,555	-	16,880	16,880	17,386	-	0.0%	506	3.0%
Interdepartmental Charges	116,809	138,337	405,395	1,039,443	1,084,008	634,048	156.4%	44,565	4.3%
Debt Service	(920)	(2,449)	50,000	-	-	(50,000)	-100.0%	-	0.0%
Capital Acquisitions	1,079,932	280,242	6,855,366	2,938,361	2,938,361	(3,917,005)	-57.1%	-	0.0%
Asset Contra Account	(1,074,022)	(280,242)	(6,791,366)	(2,841,956)	(2,841,956)	3,949,410	-58.2%	-	0.0%
Other Operating Transfers Out	234,662	727,739	722,227	23,172	23,172	(699,055)	-96.8%	-	0.0%
Bad Debts and Other Losses	11,108	24,904	-	-	-	-	0.0%	-	0.0%
Total Expenditures	\$ 8,117,285	\$ 5,418,067	\$ 6,907,859	\$ 8,317,849	\$ 8,630,388	\$ 1,409,990	20.4%	\$ 312,539	3.6%
Revenues Less Expenditures	\$ 762,503	\$ 758,421	\$ 2,720,323	\$ 3,803,848	\$ 4,341,263				

As shown in the Fleet Services Fund summary table above, the **Use of Money and Property** and **Charges for Services** revenue classifications are anticipated to increase by \$1,468,000 (+37.9%) and \$2.0 million (42.6%), respectively. These increases are necessary to maintain a structurally balanced budget in the Operations Fund and to maintain adequate funding for planned future vehicle purchases. Conversely, the **Operating Transfers In** revenue classification will be reduced by \$975,000 (-100%) after resolving the underfunded status in the Fleet Services Fund during FY22-23.

The **Salaries and Employee Benefits** expenditure classification is projected to increase by \$50,100 (+1.3%), a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. Moreover, the **Interdepartmental Charges** and **Other Operating Transfers Out** classifications are projected to increase by \$634,000 (+156.4%) and decrease by \$699,100 (-96.8%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund, implementing an Indirect Cost Rate, PC Replacement Fund, and the City's Capital Improvement Plan.

General Services – Department Personnel Summary (General Fund and Non-General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Account Clerk, Senior	1.00	1.00	-	-	-	-	-
Accounting Technician	-	-	1.00	1.00	1.00	-	-
Admin Services Manager	-	-	1.00	1.00	1.00	-	-
Administrative Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Administrative Assistant	3.00	3.00	3.00	3.00	3.00	-	-
Air Con/Heat/Elec Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Air Condition/Heat Technician	3.00	3.00	3.00	3.00	3.00	-	-
Airport Worker	4.00	4.00	4.00	4.00	4.00	-	-
Booking Manager	1.00	1.00	1.00	1.00	1.00	-	-
Booking Manager, Asst	2.00	2.00	0.50	0.50	0.50	-	-
Bookkeeper	1.00	1.00	1.00	1.00	1.00	-	-
Box Office Attendant	2.10	2.10	2.10	2.10	2.10	-	-
Box Office Manager	1.00	1.00	1.00	1.00	1.00	-	-
Building Maintainer	6.00	6.00	6.00	6.00	6.00	-	-
Building Maintainer, Sr	1.00	1.00	1.00	1.00	1.00	-	-
Building Maintenance Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Central Services Coordinator	-	1.00	1.00	1.00	1.00	-	-
Central Services Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Custodian	20.00	20.00	18.00	18.00	18.00	-	-
Custodian, Senior	2.00	2.00	2.00	2.00	2.00	-	-
Customer Service Rep	2.00	2.00	2.00	2.00	2.00	-	-
Driver/Clerk, Delivery	1.50	1.50	1.50	1.50	1.50	-	-
Electrician	2.00	2.00	2.00	2.00	2.00	-	-
Equipment Attendant	4.00	4.00	4.00	4.00	4.00	-	-
Facilities Service Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Facilities Services Manager	1.00	1.00	-	-	-	-	-
Facility Operations Attend, Sr	4.00	4.00	4.00	4.00	4.00	-	-
Facility Operations Attendant	6.00	6.00	6.00	5.00	5.00	(1.00)	-
Facility Operations Chief	1.50	1.50	1.50	1.50	1.50	-	-
Facility Operations Manager	1.00	1.00	1.00	1.00	1.00	-	-
Fleet Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Fleet Services Supervisor	2.00	2.00	2.00	2.00	2.00	-	-
General Services Director	1.00	1.00	1.00	1.00	1.00	-	-
Graphic Designer	2.00	2.00	2.00	2.00	2.00	-	-
Lead Airport Worker	1.00	1.00	1.00	1.00	1.00	-	-
Mechanic	7.00	7.00	7.00	7.00	7.00	-	-
Mechanic, Senior	9.00	9.00	9.00	9.00	9.00	-	-
Office Assistant	3.00	3.00	3.00	2.00	2.00	(1.00)	-
Program Coordinator	-	-	1.00	1.00	1.00	-	-
Reprographic Specialist	3.00	3.00	3.00	3.00	3.00	-	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Senior Box Office Attendant	1.60	1.60	1.60	1.60	1.60	-	-
Senior Building Inspector	1.00	1.00	1.00	1.00	1.00	-	-
Senior Business Manager	4.00	4.00	4.00	4.00	4.00	-	-
Staff Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Stage Manager	1.10	1.10	1.10	1.10	1.10	-	-
Storekeeper	2.00	2.00	2.00	3.00	3.00	1.00	-
Storekeeper, Auto Parts	1.00	1.00	1.00	1.00	1.00	-	-
Theater Technician	1.30	1.30	1.30	1.30	1.30	-	-
Theatre Technical Coord	1.20	1.20	1.20	1.20	1.20	-	-
Theatre Technical Director	1.00	1.00	1.00	1.00	1.00	-	-
Warehouse Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Welder, Senior	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	122.30	123.30	120.80	119.80	119.80	(1.00)	-

The General Services Department's FY23-24 staffing budget will remain unchanged, except for the deletion of 1.0 FTE Office Assistant and the conversion of 1.0 FTE Facility Operations Attendant to 1.0 FTE Storekeeper which were all previously approved by City Council in February 2023 as part of the FY22-23 First Quarter Program Modifications.

Human Resources

Mission Statement

The mission of the Human Resources Department is to attract, develop, and retain an exceptional workforce in partnership with all city departments. The Human Resources Department promotes organizational effectiveness by providing quality human resource services and programs to line departments, employees, and the public and business community.

Functional Responsibilities

The Human Resources Department manages a comprehensive human resources program that provides support to the employee workforce and the City's line departments. They are responsible for recruitment and selection, classification and compensation, performance management, labor and employee relations, policy and program compliance, benefit administration, employee recognition, and organization and staff development.

Department Organization



Human Resources – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Responsive, Accountable and Cost Effective Government		
Goal:	Emphasize employee health, wellness and safety.	Ongoing
Goal:	Maintain quality recruitment and high standards for hiring through use of job-oriented, performance based standards.	Ongoing
Goal:	Encourage employee participation in departmental/inter-departmental collaboration and problem solving.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of employee applications received	9,645
KPI:	Total number of new hires	556
KPI:	Total number of employees participating in Employee Wellness Program	117

Human Resources – Department Operating Budget Summary (General Fund)

Expenditures	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Salaries and Employee Benefits	2,228,500	1,097,052	1,474,767	1,443,485	1,508,204	(31,282)	-2.1%	64,719	4.5%
Salaries and Benefits Reimbursements	(44,063)	1,246	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	157,226	235,440	218,628	242,751	249,310	24,123	11.0%	6,559	2.7%
Materials Reimbursements	(7,383)	(10,819)	-	(10,819)	(10,819)	(10,819)	0.0%	-	0.0%
Professional/Contract Services & Utilities	355,112	335,419	398,237	480,245	491,292	82,008	20.6%	11,047	2.3%
Training, Travel & Membership Dues	33,697	25,030	63,037	37,001	38,892	(26,036)	-41.3%	1,891	5.1%
Liabilities, Settlements & Insurance	3,917	-	5,273	-	0	(5,273)	-100.0%	0	0.0%
Interdepartmental Charges	101,631	103,270	23,370	145,160	179,541	121,790	521.1%	34,381	23.7%
Other Operating Transfers Out	13,359	14,027	8,724	6,532	6,532	(2,192)	-25.1%	-	0.0%
Total Expenditures	\$ 2,841,996	\$ 1,800,665	\$ 2,192,036	\$ 2,344,355	\$ 2,462,952	\$ 152,319	6.9%	\$ 118,597	4.8%

As shown in the summary table above, the **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$31,300 (-2.1%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. The **Interdepartmental Charges** and **Other Operating Transfers Out** classifications are projected to increase by \$121,800 (+521.1%) and decrease by \$2,200 (-25.1%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and Human Resources staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$30,000 in recurring (General Fund) non-wage cost savings for the department. Human Resources also made several adjustments to the department's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with anticipated increases in personnel investigation services

(+\$71,000). After applying these non-wage changes to the Human Resources operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities;** and **Training Travel & Membership Dues.**

Human Resources – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Administrative Assistant	2.00	2.00	2.00	2.00	2.00	-	-
HR Senior Management Associate	1.00	1.00	-	-	-	-	-
Human Resources Analyst	4.00	4.00	4.00	4.00	4.00	-	-
Human Resources Director	-	-	1.00	1.00	1.00	-	-
Human Resources Technician	3.00	3.00	2.00	2.00	2.00	-	-
Office Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Principal Human Resources Analyst	-	-	1.00	1.00	1.00	-	-
Total FTE	11.00	11.00	11.00	11.00	11.00	-	-

The FY23-24 staffing budget for Human Resources has no recommended changes, remaining at 11.0 FTE.

Police

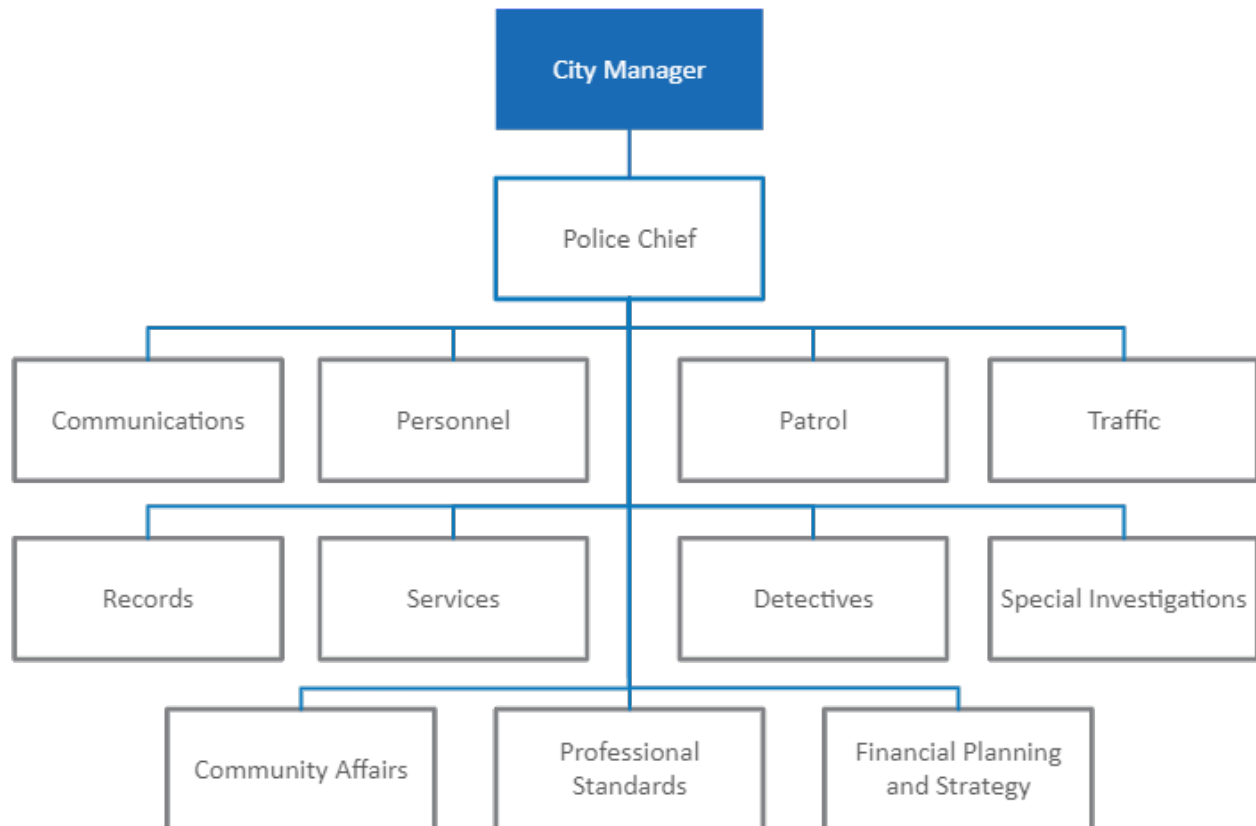
Mission Statement

The mission of the Torrance Police Department is to preserve public safety and quality of life within the City of Torrance, respond effectively to the changing needs of the community, and promote mutual respect between the Police Department and the community.

Functional Responsibilities

The Police Department is responsible for enforcing the penal provisions of the City Charter, City ordinances, and State and Federal laws for the purpose of protecting persons and property and the preservation of peace within the community. The Department engages in patrol, crime prevention, investigation of crimes, apprehension of criminals, gathering of evidence, custody of prisoners, rehabilitation of offenders, regulation of traffic, investigation of traffic collisions, custody of property, coordination of all major disaster plans, and all such training and support necessary for these activities.

Department Organization



Police – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Safe, Secure and Equitable Community		
Goal:	Sustain excellence in policing by providing and improving law enforcement staffing, training, community policing and de-escalation techniques.	Ongoing
Goal:	Ensure the physical security of our schools through proven programs such as the Torrance Police Department school resource officer program.	Ongoing
Goal:	Strengthen the Torrance Police Department commitment to the community by establishing an independent and trained civilian review body (either incident-specific or ongoing) to address public concerns regarding police conduct and public safety issues.	Complete
Goal:	Maintain an informed community regarding the myths and facts of all aspects of crime that affect the community.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of 911 calls received	70,343
KPI:	Percentage of calls answered in under 10 seconds	98.94%
KPI:	Total number of vacation check-in site visits	767

Police – Department Operating Budget Summary (General Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Licenses, Fees and Permits	139,664	146,430	161,597	188,462	188,679	26,865	16.6%	217	0.1%
Intergovernmental	56,826	115,338	60,624	37,887	38,645	(22,737)	-37.5%	758	2.0%
Other Revenues	47,349	4,106	-	-	-	-	0.0%	-	0.0%
Charges for Services	240,658	279,573	247,341	434,468	447,501	187,127	75.7%	13,033	3.0%
Operating Transfers In	-	-	8,587,595	8,802,285	9,046,530	214,690	2.5%	244,245	2.8%
Total Revenues	\$ 484,497	\$ 545,447	\$ 9,057,157	\$ 9,463,102	\$ 9,721,355	\$ 405,945	4.5%	\$ 258,253	2.7%
Expenditures									
Salaries and Employee Benefits	256,427,961	77,812,040	83,325,949	82,585,567	86,863,774	(740,382)	-0.9%	4,278,207	5.2%
Salaries and Benefits Reimbursements	(190,031)	(329,304)	-	(145,000)	(145,000)	(145,000)	0.0%	-	0.0%
Materials, Supplies & Maintenance	2,604,243	2,723,181	2,875,267	3,380,981	3,582,470	505,714	17.6%	201,489	6.0%
Materials Reimbursements	(47,445)	(14,403)	(8,000)	(12,400)	(12,400)	(4,400)	55.0%	-	0.0%
Professional/Contract Services & Utilities	1,224,289	1,970,222	2,239,456	2,419,593	2,476,128	180,137	8.0%	56,535	2.3%
Training, Travel & Membership Dues	62,032	268,936	412,729	405,548	411,630	(7,181)	-1.7%	6,082	1.5%
Liabilities, Settlements & Insurance	392,737	243,697	302,773	25,000	25,000	(277,773)	-91.7%	-	0.0%
Interdepartmental Charges	1,587,716	2,136,333	5,055,366	6,712,554	7,744,928	1,657,188	32.8%	1,032,374	15.4%
Other Operating Transfers Out	194,933	195,435	4,073	3,088	3,088	(985)	-24.2%	-	0.0%
Total Expenditures	\$ 262,256,435	\$ 85,006,137	\$ 94,207,613	\$ 95,374,931	\$ 100,949,618	\$ 1,167,318	1.2%	\$ 5,574,687	5.5%
Revenues Less Expenditures	\$ (261,771,938)	\$ (84,460,690)	\$ (85,150,456)	\$ (85,911,829)	\$ (91,228,263)				

As shown in the summary table above, the **Charges for Services** revenue classification is anticipated to increase by \$187,100 (+75.7%), primarily driven by re-aligning the budget for the coming fiscal year based on projected year-end outcomes. The **Operating Transfers In** revenue classification represents funding allocations from the Measure SST Fund to sustain the Police Department's staffing levels. The **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$740,400 (-0.9%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost

elements. Moreover, the **Interdepartmental Charges** and **Other Operating Transfers Out** expenditure classifications are projected to increase by \$1.7 million (+32.8%) and decrease by \$1,000 (-24.2%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and Police staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$817,000 in recurring (General Fund) non-wage cost savings for the department. The Police Department also made several adjustments to their FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with new Department of Justice Collaborative Reform costs (+\$756,000), false alarm billing services (+\$45,000), and a shift from the Capital Project Fund to the Police Department's operating budget for server maintenance and storage costs (+\$60,000). After applying these non-wage changes to the Police Department's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; and Training Travel & Membership Dues.**

Police – Department Operating Budget Summary (Inmate Welfare Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Operating Transfers In	-	-	10,000	-	-	(10,000)	-100.0%	-	0.0%
Total Revenues	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ (10,000)	-100.0%	\$ -	0.0%
Expenditures									
Materials, Supplies & Maintenance	-	-	10,000	-	-	(10,000)	-100.0%	-	0.0%
Total Expenditures	\$ -	\$ -	\$ 10,000	\$ -	\$ -	\$ (10,000)	-100.0%	\$ -	0.0%
Revenues Less Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -				

As shown in the summary table above, the Inmate Welfare Fund will no longer maintain an operating budget beginning in FY23-24. Should the department need to expend an amount from this fund a budget appropriation will be submitted at that time.

Police – Department Personnel Summary (General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Admin Services Manager	1.00	3.00	4.00	4.00	4.00	-	-
Administrative Analyst	3.00	3.00	3.00	3.00	3.00	-	-
Administrative Assistant	10.00	10.00	10.00	11.00	11.00	1.00	-
Animal Control Officer	3.00	-	-	-	-	-	-
Assistant Police Chief	-	-	1.00	1.00	1.00	-	-
Crossing Guard	13.00	13.00	13.00	16.00	16.00	3.00	-
Forensic ID Specialist	4.00	1.00	1.00	1.00	1.00	-	-
Forensic Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Info Tech Specialist	2.00	2.00	2.00	2.00	2.00	-	-
Info Technology Analyst	2.00	2.00	2.00	2.00	2.00	-	-
Juvenile Diversion Case Worker	1.00	1.00	1.00	1.00	1.00	-	-
Juvenile Diversion Coordinator	1.00	1.00	1.00	1.00	1.00	-	-
Police Captain	4.00	4.00	3.00	3.00	3.00	-	-
Police Chief	1.00	1.00	1.00	1.00	1.00	-	-
Police Lieutenant	13.00	13.00	12.00	12.00	12.00	-	-
Police Officer	172.00	172.00	170.00	170.00	170.00	-	-
Police Records Technician	17.00	17.00	17.00	17.00	17.00	-	-
Police Sergeant	33.00	31.00	30.00	32.00	32.00	2.00	-
Police Services Administrator	-	-	1.00	1.00	1.00	-	-
Police Services Officer	30.00	30.00	30.00	30.00	30.00	-	-
Police Services Supervisor	3.00	5.00	6.00	6.00	6.00	-	-
Public Safety Comm Supvr	2.00	3.00	3.00	3.00	3.00	-	-
Public Safety Dispatcher	23.00	23.00	28.00	28.00	28.00	-	-
Senior Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Senior Business Manager	1.00	1.00	1.00	1.00	1.00	-	-
Sr. Forensic ID Specialist	2.00	4.00	4.00	4.00	4.00	-	-
Staff Assistant	4.80	4.00	4.00	4.00	4.00	-	-
Systems Analyst	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	348.80	347.00	351.00	357.00	357.00	6.00	-

The Police Department's FY23-24 staffing budget is recommended to be increased by 6.0 FTE. This includes adding 1.0 FTE Administrative Assistant (DOJ related), 2.0 FTE Police Sergeants, and 3.0 FTE Crossing Guards. These staffing changes will support police accountability and collaborative justice reform and staffing to maintain existing crossing guard program commitments.

Public Works

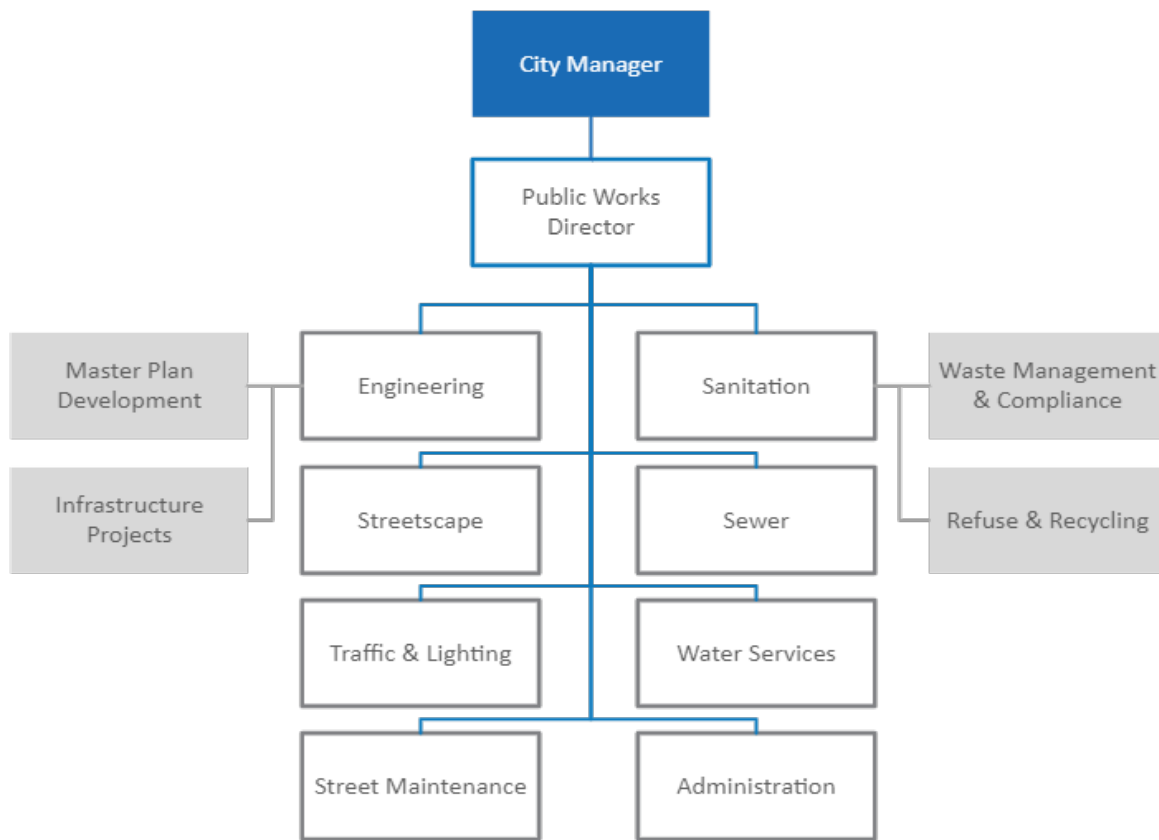
Mission Statement

The mission of the Public Works Department is to provide a superior level of public service and interdepartmental support in the most practical and competent manner possible. Through innovative methods, the Public Works Department seeks to ensure a sound infrastructure and a healthy environment that contributes to the overall mission of the City.

Functional Responsibilities

The Public Works Department provides services to Torrance residents, businesses, and other City departments to improve and maintain the City's streets, sidewalks, landscaping, traffic sewers, and water system. The Department is responsible for civil and traffic engineering, trash and recycling, sewer and wastewater, street sweeping, street operations, city trees and landscapes, and water services.

Department Organization



Public Works – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Appearance, Character and Quality of the Community		
Goal:	Coordinate street beautification projects with enhanced, environmentally appropriate aesthetics that reflect the unique character of each neighborhood.	Ongoing
Goal:	Maintain the City-wide Street Tree Program to emphasize distinctive neighborhood appearance, making maximum use of native or drought tolerant trees, tree canopy and other vegetation on streets, in developments and open space, while considering/balancing maintenance needs and the impact plants may have on infrastructure.	Complete
Strategic Plan Priority: Safe, Secure and Equitable Community		
Goal:	Maintain safe and well-lit streets, schools and public areas.	Complete
Strategic Plan Priority: Infrastructure		
Goal:	Maintain high standards of quality and service that the community expects, demands, and deserves.	Complete
Goal:	Implement technology to support utility efficiency, traffic flow, etc.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of potholes filled	7,600
KPI:	Total tons of recycling collected	8,304
KPI:	Total number of large item pickups scheduled	4,638
KPI:	Total number of trees plans (net of removals)	125
KPI:	Total number of water meters replaced	336

Public Works – Department Operating Budget Summary (General Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Other Revenues	(33,753)	11,463	-	-	-	-	0.0%	-	0.0%
Charges for Services	215,950	225,507	268,044	242,177	249,442	(25,867)	-9.7%	7,265	3.0%
Operating Transfers In	2,717,397	2,228,662	3,528,324	4,179,358	4,239,650	651,034	18.5%	60,292	1.4%
Total Revenues	\$ 2,899,594	\$ 2,465,632	\$ 3,796,368	\$ 4,421,535	\$ 4,489,092	\$ 625,167	16.5%	\$ 67,557	1.5%
Expenditures									
Salaries and Employee Benefits	14,989,855	7,344,082	8,787,879	9,341,722	9,777,452	553,843	6.3%	435,730	4.7%
Salaries and Benefits Reimbursements	(1,077,893)	(493,542)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	2,671,067	2,762,097	4,962,893	4,460,272	4,811,658	(502,621)	-10.1%	351,386	7.9%
Materials Reimbursements	(570,146)	(443,920)	-	(65,000)	(65,000)	(65,000)	0.0%	-	0.0%
Professional/Contract Services & Utilities	1,332,689	1,602,049	2,083,904	2,490,993	2,570,745	407,089	19.5%	79,752	3.2%
Training, Travel & Membership Dues	2,529	4,424	18,749	18,748	19,310	(1)	0.0%	562	3.0%
Liabilities, Settlements & Insurance	479,646	145,358	385,030	100,000	100,000	(285,030)	-74.0%	-	0.0%
Interdepartmental Charges	278,135	1,473,040	1,843,022	2,766,361	3,098,474	923,339	50.1%	332,113	12.0%
Capital Acquisitions	634	312,108	67,200	67,200	67,200	-	0.0%	-	0.0%
Other Operating Transfers Out	50,586	57,979	30,769	31,649	31,649	880	2.9%	-	0.0%
Total Expenditures	\$ 18,157,102	\$ 12,763,675	\$ 18,179,446	\$ 19,211,945	\$ 20,411,488	\$ 1,032,499	5.7%	\$ 1,199,543	5.9%
Revenues Less Expenditures	\$ (15,257,508)	\$ (10,298,043)	\$ (14,383,078)	\$ (14,790,410)	\$ (15,922,396)				

As shown in the summary table above, the **Charges for Services** classification is projected to decrease by \$25,900 (-9.7%), primarily driven by re-aligning the budget for the coming fiscal year based on projected year-end outcomes. The **Operating Transfers In** classification is projected to increase by \$651,000 (+18.5%) as a result of increased transfers from the Sanitation Fund to support the City's street sweeping program and offset by reducing transfers in from Gas Tax revenue to

better align with amounts expended in recent years. This will ensure all Gas Tax resources are expended in a given year as these will be re-deployed to the City's Capital Improvement Plan.

Moreover, the **Salaries and Employee Benefits** expenditure classification is projected to increase by \$553,800 (+6.3%), a net result of changes in the department's budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. The Public Works Department's **Interdepartmental Charges** and **Other Operating Transfers Out** classifications are all projected to increase by \$923,300 (+50.1%) and \$900 (+2.9%), respectively. This is the result of recalculating the department's contributions to the City's Self-Insurance Fund and PC Replacement Fund.

To develop the FY23-25 operating budget, departments utilized a zero-based budgeting approach designed to re-evaluate funding allocations for all discretionary budget lines within each non-wage expenditure classification. Finance and Public Works staff worked collaboratively to complete the zero-based budget exercise, yielding approximately \$863,000 in recurring (General and Non-General Fund) non-wage cost savings for the department. The Public Works Department also made several adjustments to their FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with the following: transfer from CDD's operating budget to Public Work's operating budget for landscaping services (+\$45,000); transfer from the Sewer Fund's operating budget to Public Work's operating budget for National Pollutant Discharge Elimination System compliance (+\$412,000); and a transfer from the Sanitation Fund's operating budget to Public Work's operating budget for landfill charges (+\$135,000). After applying these non-wage changes to the Public Works Department's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance**; **Professional/Contract Services & Utilities**; and **Training Travel & Membership Dues**.

Public Works – Department Operating Budget Summary (Sanitation Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Use of Money and Property	39,897	22,943	40,000	375,589	375,589	335,589	839.0%	-	0.0%
Other Revenues	45,131	154,925	50,000	50,000	50,000	-	0.0%	-	0.0%
Charges for Services	12,883,355	13,798,273	13,585,691	13,927,864	13,980,362	342,173	2.5%	52,498	0.4%
Operating Transfers In	5,248,656	3,842,035	2,005,187	1,802,948	1,875,507	(202,239)	-10.1%	72,559	4.0%
Total Revenues	\$ 18,217,039	\$ 17,818,176	\$ 15,680,878	\$ 16,156,401	\$ 16,281,458	\$ 475,523	3.0%	\$ 125,057	0.8%
Expenditures									
Salaries and Employee Benefits	7,851,779	4,437,233	4,190,695	4,127,511	4,286,334	(63,184)	-1.5%	158,823	3.8%
Salaries and Benefits Reimbursements	(10,481)	(8,584)	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	2,976,254	2,982,515	3,612,148	3,763,132	3,936,903	150,984	4.2%	173,771	4.6%
Materials Reimbursements	(170,075)	(113,070)	-	(50,000)	(50,000)	(50,000)	0.0%	-	0.0%
Professional/Contract Services & Utilities	2,725,176	2,659,440	3,443,320	3,706,364	3,809,664	263,044	7.6%	103,300	2.8%
Training, Travel & Membership Dues	1,332	603	31,696	33,471	34,422	1,775	5.6%	951	2.8%
Depreciation and Amortization	1,044,749	978,757	1,121,100	1,154,733	1,223,008	33,633	3.0%	68,275	5.9%
Liabilities, Settlements & Insurance	92,932	15,355	48,083	48,083	49,525	-	0.0%	1,442	3.0%
Interdepartmental Charges	1,395,249	1,504,161	1,636,074	3,272,232	2,905,945	1,636,158	100.0%	(366,287)	-11.2%
Debt Service	(4,378)	(8,642)	90,000	90,000	90,000	-	0.0%	-	0.0%
Capital Acquisitions	-	771,561	3,661,047	2,771,561	2,771,561	(889,486)	-24.3%	-	0.0%
Asset Contra Account	(65,853)	(780,792)	(3,661,047)	(2,771,561)	(2,771,561)	889,486	-24.3%	-	0.0%
Other Operating Transfers Out	1,814,852	3,593,870	1,710,222	2,682,174	2,842,732	971,952	56.8%	160,558	6.0%
Bad Debts and Other Losses	626	43,081	52,860	52,860	52,860	-	0.0%	-	0.0%
Total Expenditures	\$ 17,652,162	\$ 16,075,488	\$ 15,936,198	\$ 18,880,560	\$ 19,181,393	\$ 2,944,362	18.5%	\$ 300,833	1.6%
Revenues Less Expenditures	\$ 564,877	\$ 1,742,688	\$ (255,320)	\$ (2,724,159)	\$ (2,899,935)				

As shown in the summary table above, the Sanitation Fund's **Charges for Services** revenue classification is anticipated to increase by \$342,200 (+2.5%), primarily driven by re-aligning the budget for the coming fiscal year based on projected year-end outcomes. The decrease of \$202,200 (-10.1%) within the **Operating Transfers In** revenue classification is the result of re-calculating the Fund's contribution to its Vehicle Replacement sub-fund. The FY23-24 operating budget does not include any assumed increases from the Proposition 218 process concurrently underway.

Moreover, the **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$63,200 (-1.5%), a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. The Sanitation Fund's **Interdepartmental Charges** and **Other Operating Transfers Out** classifications are all projected to increase by \$1.6 million (+100.0%) and \$972,000 (+56.8%), respectively. This is the result of recalculating contributions to the City's Self-Insurance Fund, Franchise Fees, Indirect cost rates, PC Replacement Fund, Sanitation Vehicle Replacement Fund and General Fund.

The Public Works Department also made several adjustments to Sanitation Fund's FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with the transfer from the Sanitation Fund's operating budget to the department's General Fund operating budget for landfill related charges (-\$135,000). After applying these non-wage changes to the Sanitation Fund's operating budget, an additional 3% CPI adjustment was made to each of the

following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities;** and **Training Travel & Membership Dues.**

Public Works – Department Operating Budget Summary (Sewer Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Use of Money and Property	45,726	(69,041)	75,000	279,849	279,849	204,849	273.1%	-	0.0%
Other Revenues	28,214	100,428	6,161	13,556	13,556	7,395	120.0%	-	0.0%
Charges for Services	6,021,285	6,004,945	5,725,220	7,495,161	7,720,015	1,769,941	30.9%	224,854	3.0%
Operating Transfers In	1,930,336	1,424,348	359,529	524,800	549,929	165,271	46.0%	25,129	4.8%
Total Revenues	\$ 8,025,561	\$ 7,460,680	\$ 6,165,910	\$ 8,313,366	\$ 8,563,349	\$ 2,147,456	34.8%	\$ 249,983	2.9%
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Expenditures									
Salaries and Employee Benefits	4,207,974	2,051,010	1,813,364	1,702,960	1,772,522	(110,404)	-6.1%	69,562	4.1%
Materials, Supplies & Maintenance	224,000	256,842	399,167	332,840	352,902	(66,327)	-16.6%	20,062	6.0%
Professional/Contract Services & Utilities	794,347	645,445	1,062,378	692,594	727,083	(369,784)	-34.8%	34,489	5.0%
Training, Travel & Membership Dues	2,102	1,710	16,447	16,447	16,940	-	0.0%	493	3.0%
Depreciation and Amortization	161,319	166,969	196,094	1,412,227	1,495,726	1,216,133	620.2%	83,499	5.9%
Liabilities, Settlements & Insurance	-	3,667	-	-	-	-	0.0%	-	0.0%
Interdepartmental Charges	705,110	734,590	774,785	736,093	772,770	(38,692)	-5.0%	36,677	5.0%
Capital Acquisitions	462,605	-	2,015,633	106,906	106,906	(1,908,727)	-94.7%	-	0.0%
Asset Contra Account	(455,994)	-	(2,008,727)	(104,700)	(104,700)	1,904,027	-94.8%	-	0.0%
Other Operating Transfers Out	1,959,152	3,295,835	1,886,460	2,902,588	2,427,717	1,016,128	53.9%	(474,871)	-16.4%
Bad Debts and Other Losses	159	98,937	20,000	20,000	20,000	-	0.0%	-	0.0%
Total Expenditures	\$ 8,060,774	\$ 7,255,005	\$ 6,175,601	\$ 7,817,955	\$ 7,587,866	\$ 1,642,354	26.6%	\$ (230,089)	-3.0%
Revenues Less Expenditures	\$ (35,213)	\$ 205,675	\$ (9,691)	\$ 495,411	\$ 975,483				

As shown in the summary table above, the Sewer Fund's **Charges for Services** revenue classification is anticipated to increase by \$1.8 million (+30.9%), primarily driven by re-aligning the budget for the coming fiscal year based on projected year-end outcomes resulting from new rate increases approved January 1, 2023. The **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$110,400 (-6.1%), a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. Moreover, the Sewer Fund's **Interdepartmental Charges** and **Other Operating Transfers Out** classifications are projected to decrease by \$38,700 (-5.0%) and increase by \$1.0 million (53.9%), respectively. This is the result of recalculating contributions to the City's Self-Insurance Fund, Franchise Fees, Indirect cost rates, PC Replacement Fund, Sewer Capital Fund and Sewer Vehicle Replacement Fund. The increase in **Depreciation and Amortization** occurs each year with the budget adopted in the Sewer Operations Fund and then transferred to the Sewer Capital Fund.

The Public Works Department also made several adjustments to the Sewer Fund's FY23-24 Operating Budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. These budget changes account for major cost drivers associated with the transfer from the Sewer Fund's operating budget to Public Work's operating budget for National Pollutant Discharge Elimination System compliance (-\$412,000). After applying these non-wage

changes to the Sewer Fund's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; Training Travel & Membership Dues; and Liabilities, Settlements & Insurance.**

Public Works – Department Operating Budget Summary (Water Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
Revenues	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Use of Money and Property	200,542	(277,370)	675,000	1,347,657	1,353,375	672,657	99.7%	5,718	0.4%
Other Revenues	45,200	589,457	5,000	-	-	(5,000)	-100.0%	-	0.0%
Charges for Services	49,197,792	50,942,552	51,098,504	53,070,586	53,157,158	1,972,082	3.9%	86,572	0.2%
Operating Transfers In	4,341,909	363,124	392,380	409,238	429,078	16,858	4.3%	19,840	4.8%
Total Revenues	\$ 53,785,443	\$ 51,617,763	\$ 52,170,884	\$ 54,827,481	\$ 54,939,611	\$ 2,656,597	5.1%	\$ 112,130	0.2%
Expenditures	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Salaries and Employee Benefits	10,004,120	5,523,650	5,890,109	5,732,781	5,966,941	(157,328)	-2.7%	234,160	4.1%
Salaries and Benefits Reimbursements	(30,028)	-	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	1,939,252	1,972,635	2,717,130	1,973,066	2,064,460	(744,064)	-27.4%	91,394	4.6%
Materials Reimbursements	(14,555)	-	5,000	5,000	5,000	-	0.0%	-	0.0%
Parts, Fuel & Lubricants Inventory Purchases	312,650	390,903	566,500	583,495	601,000	16,995	3.0%	17,505	3.0%
Parts, Fuel & Lubricants Contra	(312,650)	(390,903)	(566,500)	(583,495)	(601,000)	(16,995)	3.0%	(17,505)	3.0%
Stored Water Rights Inventory Purchases	411,611	430,781	457,960	471,699	485,850	13,739	3.0%	14,151	3.0%
Stored Water Rights Contra	(411,611)	(430,781)	(457,960)	(471,699)	(485,850)	(13,739)	3.0%	(14,151)	3.0%
Professional/Contract Services & Utilities	1,404,126	1,348,220	1,938,864	1,841,381	2,129,968	(97,483)	-5.0%	288,587	15.7%
Water Supply Costs	26,301,940	28,323,919	33,787,000	33,350,000	36,183,610	(437,000)	-1.3%	2,833,610	8.5%
Training, Travel & Membership Dues	6,371	8,172	49,955	49,955	51,454	-	0.0%	1,499	3.0%
Depreciation and Amortization	121,003	120,868	273,170	2,413,465	2,556,164	2,140,295	783.5%	142,699	5.9%
Liabilities, Settlements & Insurance	51,758	133,868	91,479	91,479	94,223	-	0.0%	2,744	3.0%
Interdepartmental Charges	2,471,572	2,390,117	2,541,123	2,858,400	2,982,287	317,277	12.5%	123,887	4.3%
Debt Service	642,387	642,336	850,672	1,567,288	1,567,287	716,616	84.2%	(1)	0.0%
Debt Service Reimbursements	(541,273)	(554,122)	(567,277)	(1,279,515)	(1,303,083)	(712,238)	125.6%	(23,568)	1.8%
Capital Acquisitions	-	60,195	574,413	456,201	456,201	(118,212)	-20.6%	-	0.0%
Asset Contra Account	-	(60,195)	(574,413)	(456,200)	(456,200)	118,213	-20.6%	-	0.0%
Other Operating Transfers Out	4,490,507	4,365,691	4,386,948	10,005,676	3,425,516	5,618,728	128.1%	(6,580,160)	-65.8%
Bad Debts and Other Losses	18,861	522,623	150,000	150,000	150,000	-	0.0%	-	0.0%
Total Expenditures	\$ 46,866,041	\$ 44,797,977	\$ 52,114,173	\$ 58,758,977	\$ 55,873,828	\$ 6,644,804	12.8%	\$ (2,885,149)	-5.2%
Revenues Less Expenditures	\$ 6,919,402	\$ 6,819,786	\$ 56,711	\$ (3,931,496)	\$ (934,217)				

As shown in the summary table above, the Water Fund's **Charges for Services** classification is anticipated to increase by \$2.0 million (+3.9%), primarily driven by re-aligning the budget for the coming fiscal year based on projected year-end outcomes. The **Salaries and Employee Benefits** expenditure classification is projected to decrease by \$157,300 (-2.7%), a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements. Moreover, the Water Fund's **Interdepartmental Charges** and **Other Operating Transfers Out** classifications are projected to increase by \$317,300 (+12.5%) and \$5.6 million (+128.1%), respectively. This is the result of recalculating contributions to the City's Self-Insurance Fund, Franchise Fees, Indirect cost rates, PC Replacement Fund, Water Capital Fund and Water Vehicle Replacement Fund. Moreover, the increase in **Depreciation and Amortization** occurs each year with the budget adopted in the Water Operations Fund and then transferred to the Water Capital Fund.

The Public Works Department also made several adjustments to Water Fund’s FY23-24 operating budget in the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. After applying these non-wage changes to the Water Fund’s operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; and Training Travel & Membership Dues.**

Public Works – Department Operating Budget Summary (Street Lighting District Fund)

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Taxes	1,268,245	1,280,451	1,283,697	1,283,697	1,283,697	-	0.0%	-	0.0%
Operating Transfers In	1,463,748	1,147,615	345,273	345,273	345,273	-	0.0%	-	0.0%
Total Revenues	\$ 2,731,993	\$ 2,428,066	\$ 1,628,970	\$ 1,628,970	\$ 1,628,970	\$ -	0.0%	\$ -	0.0%
Expenditures									
Salaries and Employee Benefits	691,770	344,109	-	-	-	-	0.0%	-	0.0%
Materials, Supplies & Maintenance	485,269	380,837	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services & Utilities	1,583,059	1,703,120	1,628,970	1,628,970	1,628,970	-	0.0%	-	0.0%
Total Expenditures	\$ 2,760,098	\$ 2,428,066	\$ 1,628,970	\$ 1,628,970	\$ 1,628,970	\$ -	0.0%	\$ -	0.0%
Revenues Less Expenditures	\$ (28,105)	\$ -	\$ -	\$ -	\$ -				

As shown in the summary table above, the Street Lighting District Fund’s **Professional/Contract Services & Utilities** expenditure classification is projected to remain flat in FY23-24. Staff will return to City Council at a future date when the consultant has completed their analysis of the Street Lighting District Fund. The outcome of these actions will inform any recommended budget adjustments for the coming fiscal year.

Public Works Personnel Summary (General and Non-General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Admin Services Manager	-	1.00	1.00	1.00	1.00	-	-
Administrative Analyst	3.00	2.00	2.00	2.00	2.00	-	-
Administrative Assistant	5.00	5.00	5.00	5.00	5.00	-	-
Assistant Engineer	4.00	4.00	4.00	4.00	4.00	-	-
Associate Engineer	9.00	9.00	9.00	10.00	10.00	1.00	-
Cement Finisher	2.00	2.00	2.00	2.00	2.00	-	-
Deputy Public Works Director	1.00	1.00	1.00	1.00	1.00	-	-
Deputy Public Works Dir-Ops	1.00	1.00	1.00	1.00	1.00	-	-
Engineering Manager	3.00	3.00	3.00	3.00	3.00	-	-
Engineering Manager-Major Proj	1.00	1.00	1.00	1.00	1.00	-	-
Engineering Technician III	3.00	3.00	3.00	2.00	2.00	(1.00)	-
Equipment Operator	11.00	11.00	9.00	9.00	9.00	-	-
HR Senior Management Associate	1.00	1.00	-	-	-	-	-
Inspector, Public Works-Cap Proj	2.00	3.00	3.00	3.00	3.00	-	-
Landscape Mgr/City Arborist	1.00	1.00	1.00	1.00	1.00	-	-
Lead Maintenance Worker	14.00	16.00	15.00	15.00	15.00	-	-
Maintenance Worker	43.00	44.00	44.00	40.00	41.00	(4.00)	1.00
Pest Control Technician	1.00	1.00	1.00	1.00	1.00	-	-
Policy & Resources Specialist	-	2.00	2.00	2.00	2.00	-	-
Principal Human Resources Analyst	-	-	1.00	1.00	1.00	-	-
Public Works Director	1.00	1.00	1.00	1.00	1.00	-	-
Public Works Supervisor	7.00	7.00	8.00	8.00	8.00	-	-
Sanitation Equipment Operator	30.00	30.00	31.00	35.00	35.00	4.00	-
Sanitation Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Senior Business Manager	1.00	1.00	1.00	1.00	1.00	-	-
Street Maintenance Leader	2.00	-	-	-	-	-	-
Street Operations Manager	1.00	1.00	1.00	1.00	1.00	-	-
Supervising Admin Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Traffic & Lighting Superv	1.00	1.00	1.00	1.00	1.00	-	-
Traffic Painter	3.00	3.00	3.00	3.00	3.00	-	-
Traffic Signal Technician	4.00	4.00	4.00	4.00	4.00	-	-
Tree Trimmer	6.00	6.00	5.00	5.00	5.00	-	-
Waste Mgmt Coordinator	1.00	-	-	-	-	-	-
Wastewater Technician	7.00	7.00	7.00	7.00	7.00	-	-
Water Operations Manager	1.00	1.00	1.00	1.00	1.00	-	-
Water Operations Supervisor	3.00	3.00	3.00	3.00	3.00	-	-
Water Service Intern	2.00	2.00	2.00	1.00	1.00	(1.00)	-
Water System Operator I	13.00	13.00	13.00	9.00	9.00	(4.00)	-
Water System Operator II	5.00	5.00	5.00	9.00	9.00	4.00	-
Water System Operator III	11.00	11.00	12.00	12.00	12.00	-	-
Total FTE	206.00	209.00	208.00	207.00	208.00	(1.00)	1.00

The Public Works Department's FY23-24 staffing budget has a recommended decrease of 1.0 FTE. This includes converting 1.0 FTE Engineering Technician III to 1.0 FTE Associate Engineer, deleting 1.0 FTE Water Service Intern, and converting 4.0 FTE Water System Operator I to 4.0 FTE Water System Operator II. These staffing changes will address complex infrastructure and capital project needs. The conversion of 4.0 FTE Maintenance Worker to 4.0 FTE Sanitation Equipment Operator was previously approved by City Council in February 2023 as part of the FY22-23 First Quarter Program Modifications.

Transit

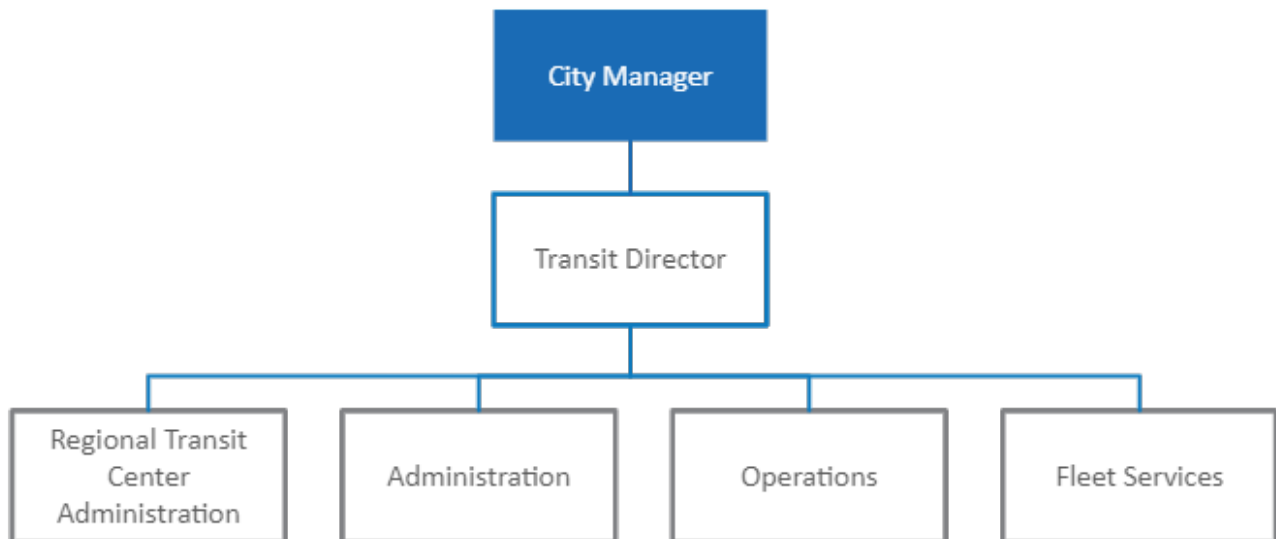
Mission Statement

The mission of the Torrance Transit System is to provide reliable, safe, inexpensive, and courteous transportation to customers which includes the people who live, work, and do business in the City of Torrance and the region.

Functional Responsibilities

The Torrance Transit System's responsibilities include securing its own local, state and federal funding for the department; financial monitoring and reporting; grants administration; transit scheduling; supervision and administration of all privately contracted transit services; planning and marketing tracking and analyzing service statistics; providing staff for city and regional committees or task forces; monitoring and participating in regional and federal transportation legislation, issues, projects, and activities; maintenance of its own fleet of buses; development and implementation of service changes; and general oversight of the bus operations for the City of Torrance.

Department Organization



Transit – Department Goals and Key Performance Indicators

Goals		
Strategic Plan Priority: Infrastructure		
Goal:	Develop, maintain, and protect an efficiently functioning infrastructure.	Ongoing
Strategic Plan Priority: Mobility		
Goal:	Provide a full range of mobility options and infrastructure.	Ongoing
Goal:	Maximize the safe, convenient, and efficient movement of people, goods, and traffic.	
Strategic Plan Priority: Stewardship of the Environment		
Goal:	Create and promote sustainable/green practices for use in daily life.	Ongoing

Key Performance Indicators		2022
KPI:	Total number of passenger boarding	1,828,807
KPI:	Total number of revenue miles	1,521,332
KPI:	Total number of revenue hours	114,358
KPI:	Total number of alternative-fuel buses	63

Transit – Department Operating Budget Summary (Transit Fund)

	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2023-24	FY 2023-24	FY 2024-25	FY 2024-25
	Actual	Actual	Amended Budget	Proposed Budget	Proposed Budget	Increase/ (Decrease)	Percent Change	Increase/ (Decrease)	Percent Change
Revenues									
Use of Money and Property	76,870	(218,857)	93,337	1,029,127	1,029,127	935,790	1002.6%	-	0.0%
Intergovernmental	23,757,873	25,050,448	39,856,830	31,869,767	31,800,419	(7,987,063)	-20.0%	(69,348)	-0.2%
Other Revenues	7,009	87,146	76,201	30,000	30,811	(46,201)	-60.6%	811	2.7%
Charges for Services	56,026	469,011	2,206,332	1,326,028	1,365,809	(880,304)	-39.9%	39,781	3.0%
Operating Transfers In	8,646,861	2,674,323	3,000,000	3,000,000	3,000,000	-	0.0%	-	0.0%
Total Revenues	\$ 32,544,639	\$ 28,062,071	\$ 45,232,700	\$ 37,254,922	\$ 37,226,166	\$ (7,977,778)	-17.6%	\$ (28,756)	-0.1%
Expenditures									
Salaries and Employee Benefits	15,200,697	8,006,311	20,793,218	22,490,772	23,365,749	1,697,554	8.2%	874,977	3.9%
Materials, Supplies & Maintenance	2,070,587	2,236,139	2,984,787	2,653,112	2,749,473	(331,675)	-11.1%	96,361	3.6%
Materials Reimbursements	(280,848)	(154,497)	(250,000)	(250,000)	(250,000)	-	0.0%	-	0.0%
Parts, Fuel & Lubricants Inventory Purchases	634,454	889,074	990,283	1,019,991	1,050,591	29,708	3.0%	30,600	3.0%
Parts, Fuel & Lubricants Contra	(634,454)	(889,074)	(990,283)	(1,019,991)	(1,050,591)	(29,708)	3.0%	(30,600)	3.0%
Professional/Contract Services & Utilities	1,481,572	1,736,897	2,020,836	2,009,382	2,068,157	(11,454)	-0.6%	58,775	2.9%
Training, Travel & Membership Dues	46,085	58,652	119,023	159,022	163,793	39,999	33.6%	4,771	3.0%
Depreciation and Amortization	4,167,954	3,897,647	5,414,089	4,314,089	4,605,934	(1,100,000)	-20.3%	291,845	6.8%
Liabilities, Settlements & Insurance	277,093	239,741	217,639	217,639	223,819	-	0.0%	6,180	2.8%
Interdepartmental Charges	4,256,390	4,969,689	7,279,828	6,666,292	7,142,618	(613,536)	-8.4%	476,326	7.1%
Asset Contra Account	(1,978,738)	(1,195,618)	-	-	-	-	0.0%	-	0.0%
Other Operating Transfers Out	4,614,303	69,632	97,869	76,578	76,578	(21,291)	-21.8%	-	0.0%
Total Expenditures	\$ 29,855,095	\$ 19,864,593	\$ 38,677,289	\$ 38,336,886	\$ 40,146,121	\$ (340,403)	-0.9%	\$ 1,809,235	4.5%
Revenues Less Expenditures	\$ 2,689,544	\$ 8,197,478	\$ 6,555,411	\$ (1,081,964)	\$ (2,919,955)				

As shown in the Transit Fund summary table above, the **Intergovernmental** revenue classification is anticipated to decrease by \$8.0 million (-20.0%), primarily driven by FY22-23 being the last year of receiving one-time federal funding related to the COVID-19 pandemic. The **Salaries and Employee Benefits** expenditure classification is projected to increase by \$1.7 million (+8.2%), a net result of changes in budgeted staffing levels, recently renewed or anticipated labor contracts, salary grid modifications, longevity pay adjustments, CalPERS rates, benefits elections, and other various employee-related cost elements.

Moreover, the Transit Department's **Interdepartmental Charges** and **Other Operating Transfers Out** classifications are all projected to decrease by \$613,600 (-8.4%) and \$21,300 (-21.8%), respectively. This is the result of recalculating contributions to the City's Self-Insurance Fund, Indirect cost rates, and PC Replacement Fund. The decrease in **Depreciation and Amortization** is intended to better align the FY23-24 operating budget based on current trends. In addition, the Transit Department also made several adjustments to the **Materials, Supplies & Maintenance** and **Professional/Contract Services & Utilities** classifications. After applying these non-wage changes to the Transit Fund's operating budget, an additional 3% CPI adjustment was made to each of the following expense classifications: **Materials, Supplies and Maintenance; Professional/Contract Services & Utilities; and Training Travel & Membership Dues.**

Transit Department Personnel Summary (Non-General Fund)

Job Classification	FY 2020-21 Budget	FY 2021-22 Budget	FY 2022-23 (SST Amend)	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2024-25 Increase/ (Decrease)
Administrative Analyst	5.00	4.00	4.00	4.00	4.00	-	-
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	-	-
Bus Operator	88.00	93.00	93.00	93.00	93.00	-	-
Custodian	-	-	1.00	1.00	1.00	-	-
Customer Service Rep	2.80	2.80	2.80	2.80	2.80	-	-
Deputy Transit Director	1.00	1.00	1.00	1.00	1.00	-	-
Driver/Clerk, Delivery	0.50	0.50	0.50	0.50	0.50	-	-
Equipment Attendant	13.00	13.00	13.00	13.00	13.00	-	-
Facilities Service Supervisor	1.00	1.00	1.00	1.00	1.00	-	-
Fleet Services Manager	1.00	1.00	1.00	1.00	1.00	-	-
Fleet Services Supervisor	1.00	2.00	2.00	2.00	2.00	-	-
Human Resources Analyst	1.00	1.00	-	-	-	-	-
Human Resources Technician	1.00	1.00	1.00	1.00	1.00	-	-
Info Technology Analyst	-	1.00	1.00	1.00	1.00	-	-
Intern	-	2.00	2.00	2.00	2.00	-	-
Maintenance Worker	1.00	1.00	1.00	1.00	1.00	-	-
Mechanic	3.00	3.00	3.00	3.00	3.00	-	-
Mechanic, Senior	11.00	12.00	12.00	12.00	12.00	-	-
Office Assistant	2.00	3.00	3.00	3.00	3.00	-	-
Principal Human Resources Analyst	-	-	1.00	1.00	1.00	-	-
Relief Bus Operator	11.50	21.00	21.00	21.00	21.00	-	-
Senior Business Manager	2.00	3.00	3.00	3.00	3.00	-	-
Senior Business Manager - Transit Planning	-	1.00	1.00	-	-	(1.00)	-
Staff Assistant	2.00	2.00	2.00	2.00	2.00	-	-
Storekeeper	1.00	1.50	1.50	1.50	1.50	-	-
Storekeeper, Auto Parts	1.00	1.00	1.00	1.00	1.00	-	-
Systems Analyst	-	1.00	1.00	1.00	1.00	-	-
Transit Director	1.00	1.00	1.00	1.00	1.00	-	-
Transit Dispatcher	3.00	4.00	4.00	4.00	4.00	-	-
Transit Manager - Admin	1.00	1.00	1.00	1.00	1.00	-	-
Transit Manager - Operations	1.00	1.00	1.00	1.00	1.00	-	-
Transit Manager - Planning	-	-	-	1.00	1.00	1.00	-
Transit Manager - Services	1.00	1.00	1.00	1.00	1.00	-	-
Transit Marketing Specialist	-	1.00	1.00	1.00	1.00	-	-
Transit Supervisor	11.00	12.00	12.00	12.00	12.00	-	-
Transit Training Coordinator	1.00	1.00	1.00	1.00	1.00	-	-
Total FTE	169.80	195.80	196.80	196.80	196.80	-	-

The Transit Department's FY23-24 staffing budget will remain unchanged, except for the conversion of 1.0 FTE Senior Business Manager to 1.0 FTE Transit Planning Manager which was previously approved by City Council in February 2023 as part of the FY22-23 First Quarter Program Modifications.

Non-Departmental

The Non-Departmental programs provide specialized budgetary services to citizens and City departments.

Non-Departmental Operating Budget Summary (General Fund–Operating Fund)

Expenditures	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Salaries and Employee Benefits	167,436	115,656	199,717	199,717	199,717	-	0.0%	-	0.0%
Reimbursements-Indirect Costs	(7,610,489)	(7,114,694)	(7,813,890)	(8,557,193)	(8,792,066)	(743,303)	9.5%	(234,873)	2.7%
Materials, Supplies & Maintenance	6,000	9,344	393,096	2,408,625	2,118,074	2,015,529	512.7%	(290,551)	-12.1%
Materials Reimbursements	(11,818)	(7,701)	-	-	-	-	0.0%	-	0.0%
Professional/Contract Services & Utilities	672,659	729,336	926,691	955,693	982,270	29,002	3.1%	26,577	2.8%
Training, Travel & Membership Dues	45,000	51,854	144,450	230,378	272,333	85,928	59.5%	41,955	18.2%
Debt Service	2,048,047	19,103,389	22,117,652	22,612,578	23,126,738	494,926	2.2%	514,160	2.3%
Debt Service Reimbursements	-	(17,854,361)	(18,337,744)	(18,832,766)	(19,341,206)	(495,022)	2.7%	(508,440)	2.7%
Other Expenditures	4,781	-	-	-	-	-	0.0%	-	0.0%
Other Operating Transfers Out	22,555,548	16,671,864	24,157,646	24,237,615	19,577,925	79,969	0.3%	(4,659,690)	-19.2%
Bad Debts and Other Losses	216	51	1,000	1,000	1,000	-	0.0%	-	0.0%
Total Expenditures	\$ 17,877,380	\$ 11,704,738	\$ 21,788,618	\$ 23,255,647	\$ 18,144,785	\$ 1,467,029	6.7%	\$ (5,110,862)	-28.2%

Community Programs (General Fund–Operating Fund)

Expenditures related to community outreach programs and events are classified under various line items above. The following are programs and budgets for both of the proposed fiscal years:

Program	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget
Artesia Lights	25,000	25,750
TOCA Subsidy	74,400	76,632
Sister City Activities	10,900	10,227
Friendship City Activities	35,000	36,050
Armed Forces Parade	148,193	150,635
Tournament of Roses Float	127,400	131,222
Discover Torrance TBID & Downtown Torrance BID	70,000	71,350
Fourth of July Celebration	48,000	49,350
Youth in Government Activities	3,200	3,296
Community Clean Up	10,000	10,300
Total External Subsidies	\$ 552,093	\$ 564,812

The Seaside Lights program is budgeted as a community event, but the proposed budget is mainly labor costs associated with the event and its associated costs represented in the participating departments.

Debt Service Lease Payments (General Fund–Operating Fund)

The Non-Departmental Budget also houses all of the lease payments made by the General Fund to the City's Debt Service Fund. The increase in FY23-24 and FY24-25 is related to planned growth for the 2020 Lease Revenue Bond debt service costs. The cost of this debt service is allocated out to all

funds and departments within the Salaries and Employee Benefits classification. As payroll is processed, similar to CalPERS costs, these costs are distributed accordingly. These charges reimburse (Debt Service Reimbursements) the General Fund to offset the lease payment made to the Debt Service Fund. The full detail of the City's debt can be found in the **Debt Financing Information** section in the **Appendix** of this document.

Reimbursements – Indirect Costs (General Fund–Operating Fund)

The city charges certain Enterprise, Non-major Governmental Funds, and beginning in FY23-24 its Internal Service Funds an indirect cost rate to recover a portion of general government services provided to these funds in supporting their daily operation. The departments supporting these funds, for which the indirect rate is seeking a proportional reimbursement are: City Manager, City Attorney, City Clerk, City Treasurer, Finance, Human Resources, Civil Service, CIT and General Services. Every year a calculation is performed to determine the proportion of costs that can be charged to these funds. For FY23-24, a charge equal to 29.80% of a subset of Salaries & Employee Benefits is assessed. Further, this rate is eligible for use against certain grant funds (including federal sources subject to OMB A-133 Single Audits), where appropriate. The below funds are subject to this charge on a recurring basis:

Fund	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Airport Fund	348,327	327,796	316,250	347,941	358,217	31,691	10.0%	10,276	3.0%
Fleet Fund	-	-	-	835,425	857,646	835,425	0.0%	22,221	2.7%
Sanitation Fund	1,089,378	1,043,120	961,110	966,460	991,892	5,350	0.6%	25,432	2.6%
Section 8 Housing Fund	151,240	139,711	130,380	123,960	127,471	(6,420)	-4.9%	3,511	2.8%
Self-Insurance Fund	-	-	-	228,527	235,911	228,527	0.0%	7,384	3.2%
Sewer Fund	584,604	520,089	408,060	375,427	386,149	(32,633)	-8.0%	10,722	2.9%
Transit Fund	4,028,913	3,772,092	4,817,200	4,495,127	4,616,870	(322,073)	-6.7%	121,743	2.7%
Water Fund	1,408,027	1,311,886	1,180,890	1,184,326	1,217,910	3,436	0.3%	33,584	2.8%
Total Indirect Cost	\$ 7,610,489	\$ 7,114,694	\$ 7,813,890	\$ 8,557,193	\$ 8,792,066	\$ 743,303	9.5%	\$ 234,873	2.7%

Other Operating Transfers Out (General Fund–Operating Fund)

This classification houses the miscellaneous transfers from the City's General Fund–Operating Fund to other funds across the City, including the below amounts for FY23-24 and FY24-25:

Receiving Fund(s)	Description	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget
Capital Project Funds	Capital Improvement Projects	1,558,107	2,548,820
General Fund - Restricted/Assigned	CEPPT Contribution	19,818,938	14,168,535
General Fund - Restricted/Assigned	Asset Replacement and Other Periodic Funding Contributions	2,865,666	2,865,666
Street Light District Fund	Street Lighting District Assessment	29,375	29,375
Sanitation Fund	Citywide Refuse Collection Reimbursement; Senior Discount Subsidy	282,915	282,915
Sewer Fund	Senior/Low-Income Wastewater Discount Subsidy	22,212	22,212
Water Fund	Senior/Low-Income Water Discount Subsidy	12,430	12,430
Total Transfers		\$ 24,589,643	\$ 19,929,953

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Taxes	-	-	17,550,521	22,917,288	23,536,054	5,366,767	30.6%	618,766	2.7%
Use of Money and Property	-	-	-	25,000	25,750	25,000	0.0%	750	3.0%
Total Revenues	\$ -	\$ -	\$ 17,550,521	\$ 22,942,288	\$ 23,561,804	\$ 5,391,767	30.7%	\$ 619,516	2.6%
Expenditures									
Materials, Supplies & Maintenance	-	-	-	1,000,000	1,000,000	1,000,000	0.0%	-	0.0%
Professional/Contract Services & Utilities	-	-	300,000	825,000	825,000	525,000	175.0%	-	0.0%
Other Operating Transfers Out	-	-	17,250,521	21,117,288	21,736,804	3,866,767	22.4%	619,516	2.9%
Total Expenditures	\$ -	\$ -	\$ 17,550,521	\$ 22,942,288	\$ 23,561,804	\$ 5,391,767	30.7%	\$ 619,516	2.6%
Revenues Less Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -				

Other Operating Transfers Out (General Fund–Measure SST Fund)

This classification houses the miscellaneous transfers from the City’s General Fund–Measure SST Fund to other funds across the City, including the below amounts for FY23-24 and FY24-25:

Receiving Fund(s)	Description	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget
General Fund - Operating Fund	Police Positions Offset	8,802,285	9,046,530
General Fund - Operating Fund	Fire Positions Offset	1,852,980	1,904,396
General Fund - Operating Fund	CIT Positions Offset	175,000	179,856
General Fund - Operating Fund	Self-Insurance Fund Balance Reserves Contribution	1,000,000	1,500,000
General Fund - Unassigned	General Fund Reserve Contribution	4,802,423	2,731,922
General Fund - Restricted/Assigned	CEPPT Contribution	2,500,000	2,500,000
Capital Project Funds	Capital Improvement Projects	1,984,600	3,874,100
Total Transfers		\$ 21,117,288	\$ 21,736,804

General Fund–Restricted/Assigned Fund Operating Budget

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Use of Money and Property	342,290	47,043	365,550	458,058	461,300	92,508	25.3%	3,242	0.7%
Other Revenues	1,863	-	-	-	-	-	0.0%	-	0.0%
Operating Transfers In	1,951,969	3,853,226	5,079,291	25,299,847	19,649,444	20,220,556	398.1%	(5,650,403)	-22.3%
Total Revenues	\$ 2,296,122	\$ 3,900,269	\$ 5,444,841	\$ 25,757,905	\$ 20,110,744	\$ 20,313,064	373.1%	\$ (5,647,161)	-28.1%
Expenditures									
Materials, Supplies & Maintenance	59,064	61,651	66,800	-	150	(66,800)	-100.0%	150	0.0%
Professional/Contract Services & Utilities	83,670	193,563	274,442	256,172	263,850	(18,270)	-6.7%	7,678	3.0%
Debt Service	-	1,272	5,000	5,000	5,000	-	0.0%	-	0.0%
Other Expenditures	-	2,464	-	5,000	10,000	5,000	0.0%	5,000	100.0%
Capital Acquisitions	376,119	472,325	797,609	1,200,913	1,800,913	403,304	50.6%	600,000	50.0%
Other Operating Transfers Out	317,109	604,489	2,608,816	375,000	375,000	(2,233,816)	-85.6%	-	0.0%
Total Expenditures	\$ 835,962	\$ 1,335,764	\$ 3,752,667	\$ 1,842,085	\$ 2,454,913	\$ (1,910,582)	-50.9%	\$ 612,828	25.0%
Revenues Less Expenditures	\$ 1,460,160	\$ 2,564,505	\$ 1,692,174	\$ 23,915,820	\$ 17,655,831				

This contains information on the City’s Restricted/Assigned Funds, which are included in the overall General Fund. For FY23-24, the City’s contribution to its CEPPT Fund is increasing by \$20.2 million. The expenditure budget represents budget amounts set annually to allow the City to spend from Replacement Funds to replace equipment across the departments. The decrease in expenditures is

attributable to a one-time budget for the Fire Apparatus Fund necessary in FY22-23 to transfer the balance to the City's Fleet Services Fund.

General Fund–Unassigned Fund Operating Budget

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Operating Transfers In	7,500,995	-	-	4,802,423	2,731,922	4,802,423	0.0%	(2,070,501)	-43.1%
Total Revenues	\$ 7,500,995	\$ -	\$ -	\$ 4,802,423	\$ 2,731,922	\$ 4,802,423	0.0%	\$ (2,070,501)	-75.8%
Expenditures									
Other Operating Transfers Out	10,397,177	146,776	-	-	-	-	0.0%	-	0.0%
Total Expenditures	\$ 10,397,177	\$ 146,776	\$ -	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
Revenues Less Expenditures	\$ (2,896,182)	\$ (146,776)	\$ -	\$ 4,802,423	\$ 2,731,922				

This contains information on the City's Unassigned Funds, which are included in the overall General Fund. For FY23-24, the increase of \$4.8 million followed by the decrease of \$2.1 million are due to reserve contributions from the City's General Fund Measure SST Fund.

Debt Service Fund Operating Budget

	FY 2020-21 Actual	FY 2021-22 Actual	FY 2022-23 Amended Budget	FY 2023-24 Proposed Budget	FY 2024-25 Proposed Budget	FY 2023-24 Increase/ (Decrease)	FY 2023-24 Percent Change	FY 2024-25 Increase/ (Decrease)	FY 2024-25 Percent Change
Revenues									
Use of Money and Property	2,033,716	19,097,306	22,098,251	22,593,178	23,107,338	494,927	2.2%	514,160	2.3%
Operating Transfers In	2,611,940	-	-	-	-	-	0.0%	-	0.0%
Other Financing Sources	389,240,000	-	-	-	-	-	0.0%	-	0.0%
Total Revenues	\$ 393,885,656	\$ 19,097,306	\$ 22,098,251	\$ 22,593,178	\$ 23,107,338	\$ 494,927	2.2%	\$ 514,160	2.2%
Expenditures									
Depreciation and Amortization	228,353	-	-	-	-	-	0.0%	-	0.0%
Debt Service	3,876,689	20,303,542	22,098,251	22,593,178	23,107,338	494,927	2.2%	514,160	2.3%
Other Operating Transfers Out	350,545,006	-	-	-	-	-	0.0%	-	0.0%
Other Financing Uses	40,644,225	-	-	-	-	-	0.0%	-	0.0%
Total Expenditures	\$ 395,294,273	\$ 20,303,542	\$ 22,098,251	\$ 22,593,178	\$ 23,107,338	\$ 494,927	2.2%	\$ 514,160	2.2%
Revenues Less Expenditures	\$ (1,408,617)	\$ (1,206,236)	\$ -	\$ -	\$ -				

This represents the City's Debt Service fund, which is where Lease payments from the General Fund are transferred so that payments can be tracked for the actual debt payments.



FIVE YEAR FUND PROJECTIONS

Five-Year Fund Projections

General Fund

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	\$ 73,595,058	\$ 102,313,302	\$ 122,701,054	\$ 133,055,003	\$ 138,738,664
Revenues	324,700,234	325,882,538	330,243,846	339,143,070	346,075,127
Expenses	295,981,990	305,494,785	319,889,897	333,459,409	341,655,386
Net Change Operating Activities	28,718,244	20,387,753	10,353,949	5,683,661	4,419,741
Ending Fund Balance	\$ 102,313,302	\$ 122,701,054	\$ 133,055,003	\$ 138,738,664	\$ 143,158,405
Reserved for Capital Improvement Projects	1,558,107	2,548,820	5,102,243	2,655,810	2,735,484
Nonspendable	\$ 1,094,456	\$ 594,456	\$ 394,456	\$ 406,290	\$ 418,479
Restricted	\$ 26,969,634	\$ 43,649,465	\$ 46,642,128	\$ 52,441,668	\$ 54,981,849
Assigned	\$ 10,162,561	\$ 11,138,561	\$ 13,106,795	\$ 9,066,289	\$ 11,016,005
Unassigned	\$ 64,086,651	\$ 67,318,572	\$ 72,911,624	\$ 76,824,417	\$ 76,742,072
20% Reserve (Unassigned) Threshold	\$ 52,034,559	\$ 54,239,523	\$ 55,895,614	\$ 57,956,452	\$ 60,201,000
Actual Reserves as Percentage of Budget	23.6%	24.1%	25.2%	25.5%	24.4%

As previously mentioned, the City's General Fund is comprised of the Operating, Measure SST, Restricted/Assigned, and Unassigned sub-funds.

The City is projecting that the Unassigned fund balance will end Fiscal Year 2023-24 at \$64.1 million. It is anticipated that this figure will climb to \$76.7 million in Fiscal Year 2027-28. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the General Fund:

- Overall **Revenue growth** of approximately 3.3% per year, using the following approximate annual assumptions in the out years (years 3-5):
 - Sales Tax: 3.2% to 3.5%
 - Property Tax: 3.4% - 3.7%
 - Utility Users Tax: 4.0%
 - Occupancy Tax: 2.0%
 - Charges for Services: 3.5%
- Overall **Expenditure growth** of approximately 4.4% per year, using the following assumptions:
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs; Depreciation classifications
 - Additional 3% CPI adjustments for Utility and Fuel budgets

- Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
- Increased CEPPT contributions totaling: FY23-24: \$19,818,938; FY24-25: \$14,168,535; FY25-26: \$7,254,400; FY26-27: \$5,564,887 to mitigate known CalPERS rate increases forthcoming
- Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)
- Capital Improvement Plan contributions

Airport Fund

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	\$ 24,593,535	\$ 27,261,751	\$ 29,973,091	\$ 32,264,410	\$ 34,520,084
Revenues	17,024,729	17,271,003	17,702,778	18,145,348	18,598,981
Expenses	14,456,513	18,259,663	15,511,459	15,989,674	16,476,508
Net Change Operating Activities	2,568,216	(988,660)	2,191,319	2,155,674	2,122,473
Reserved for Capital Improvement Projects	100,000	3,700,000	100,000	100,000	100,000
Ending Fund Balance	\$ 27,261,751	\$ 29,973,091	\$ 32,264,410	\$ 34,520,084	\$ 36,742,557

The City is projecting that the fund balance will end Fiscal Year 2023-24 at \$27.3 million. It is anticipated that this figure will climb to \$36.7 million in Fiscal Year 2027-28. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Airport Operations Fund:

- Overall **Revenue growth** of approximately 2.3% annually
- Overall **Expenditure growth** of approximately 3.5% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs; Depreciation classifications
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)
 - Capital Improvement Plan contributions

Sanitation Fund

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	\$ 17,974,007	\$ 15,249,848	\$ 12,349,912	\$ 8,959,662	\$ 5,031,763
Revenues	16,156,401	16,281,458	16,688,494	17,105,707	17,533,349
Expenses	18,880,560	19,181,394	20,078,744	21,033,606	22,030,020
Net Change Operating Activities	(2,724,159)	(2,899,936)	(3,390,250)	(3,927,899)	(4,496,671)
Reserved for Capital Improvement Projects	-	-	-	-	-
Ending Fund Balance	\$ 15,249,848	\$ 12,349,912	\$ 8,959,662	\$ 5,031,763	\$ 535,092

The City is projecting that the fund balance will end Fiscal Year 2023-24 at \$15.2 million. It is anticipated that this figure will decline to \$535,000 in Fiscal Year 2027-28. This projection assumes no rate increases, though a concurrent Proposition 218 process is underway to resolve this projected structural deficit. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Sanitation Operations Fund:

- Overall **Revenue growth** of approximately 2.1% annually
- Overall **Expenditure growth** of approximately 4.2% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs; Depreciation classifications
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)

Sewer Fund

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	\$ 48,556,397	\$ 51,451,809	\$ 54,327,291	\$ 57,177,762	\$ 59,996,302
Revenues	8,313,366	8,563,349	8,777,433	8,996,869	9,221,790
Expenses	7,817,954	7,587,867	7,326,962	7,620,329	7,919,598
Net Change Operating Activities	495,412	975,482	1,450,471	1,376,540	1,302,192
Reserved for Capital Improvement Projects	2,400,000	1,900,000	1,400,000	1,442,000	1,485,260
Ending Fund Balance	\$ 51,451,809	\$ 54,327,291	\$ 57,177,762	\$ 59,996,302	\$ 62,783,754

The City is projecting that the fund balance will end Fiscal Year 2023-24 at \$51.5 million. It is anticipated that this figure will climb to \$62.8 million in Fiscal Year 2027-28. To arrive at these results

a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Sewer Operations Fund:

- Overall **Revenue growth** of approximately 2.7% annually
- Overall **Expenditure growth** of approximately 0.3% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs; Depreciation classifications
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)
 - Capital Improvement Plan contributions

Transit Fund

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	\$ 57,638,332	\$ 60,870,456	\$ 62,556,435	\$ 63,326,999	\$ 63,096,288
Revenues	37,254,922	37,226,166	38,025,570	38,844,959	39,684,833
Expenses	<u>38,336,887</u>	<u>40,146,121</u>	<u>41,999,118</u>	<u>43,962,106</u>	<u>45,941,774</u>
Net Change Operating Activities	(1,081,965)	(2,919,955)	(3,973,548)	(5,117,147)	(6,256,941)
Ending Fund Balance	\$ 56,556,367	\$ 57,950,501	\$ 58,582,887	\$ 58,209,852	\$ 56,839,347
Reserved for Capital Improvement Projects	-	-	-	-	-
Adjustment for Non-Cash	4,314,089	4,605,934	4,744,112	4,886,436	5,033,029
Ending Fund Balance (adj)	\$ 60,870,456	\$ 62,556,435	\$ 63,326,999	\$ 63,096,288	\$ 61,872,376

The Transit Fund's projection is unique from other enterprise funds in that the City controls for non-cash depreciation entries since Transit receives separate federal grants, outside of this projection to fund capital investment in these assets. It is therefore assumed the value of these annual grants and the depreciation expense controlled should typically balance overtime to maintain the capital asset condition. In the other enterprise funds, since the revenues received in this projection cover that investment, it is not controlled for in those projections. The City is projecting that the fund balance will end Fiscal Year 2023-24 at \$60.9 million, as adjusted. It is anticipated that this figure will increase to \$61.9 million in Fiscal Year 2027-28, as adjusted. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Transit Operations Fund:

- Overall **Revenue growth** of approximately 1.6% annually
- Overall **Expenditure growth** of approximately 4.9% annually

- Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
- 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs; Depreciation classifications
- Additional 3% CPI adjustments for Utility and Fuel budgets
- Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
- Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)

Water Fund

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	\$ 130,010,824	\$ 135,679,328	\$ 137,745,112	\$ 139,409,640	\$ 140,634,445
Revenues	54,827,481	54,939,611	56,313,101	57,720,929	59,163,952
Expenses	58,758,977	55,873,827	58,148,573	59,496,124	61,393,547
Net Change Operating Activities	(3,931,496)	(934,216)	(1,835,472)	(1,775,195)	(2,229,595)
Reserved for Capital Improvement Projects	9,600,000	3,000,000	3,500,000	3,000,000	3,000,000
Ending Fund Balance	\$ 135,679,328	\$ 137,745,112	\$ 139,409,640	\$ 140,634,445	\$ 141,404,850

The City is projecting that the fund balance will end Fiscal Year 2023-24 at \$135.7 million. It is anticipated that this figure will climb to \$141.4 million in Fiscal Year 2027-28. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Water Operations Fund:

- Overall **Revenue growth** of approximately 2.0% annually
- Overall **Expenditure growth** of approximately 1.1% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs; Depreciation classifications
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)
 - Capital Improvement Plan contributions based on proposed Capital Improvement Plan

Fleet Services Fund

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	\$ 31,443,799	\$ 35,247,647	\$ 39,588,909	\$ 44,226,941	\$ 49,178,403
Revenues	12,121,697	12,971,651	13,620,233	14,301,245	14,873,295
Expenses	<u>8,317,849</u>	<u>8,630,389</u>	<u>8,982,201</u>	<u>9,349,783</u>	<u>9,715,465</u>
Net Change Operating Activities	3,803,848	4,341,262	4,638,032	4,951,462	5,157,830
Reserved for Capital Improvement Projects	-	-	-	-	-
Ending Fund Balance	\$ 35,247,647	\$ 39,588,909	\$ 44,226,941	\$ 49,178,403	\$ 54,336,233

The City is projecting that the fund balance will end Fiscal Year 2023-24 at \$35.2 million. It is anticipated that this figure will increase to \$54.3 million in Fiscal Year 2027-28. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Fleet Operations Fund:

- Overall **Revenue growth** of approximately 5.7% annually
- Overall **Expenditure growth** of approximately 4.2% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs; Depreciation classifications
 - Additional 3% CPI adjustments for Utility and Fuel budgets
 - Additional 2% CPI adjustments for Fleet Labor and Vehicle Replacement budgets
 - Increased Self-Insurance contributions to stabilize this Fund's performance (increased citywide allocations)

Self-Insurance Fund

	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
Beginning Fund Balance	\$ (53,189,280)	\$ (61,015,070)	\$ (68,547,846)	\$ (71,435,952)	\$ (71,863,416)
Revenues	20,668,500	22,725,450	26,109,518	30,001,195	34,476,624
Expenses	<u>28,494,290</u>	<u>30,258,226</u>	<u>28,997,624</u>	<u>30,428,659</u>	<u>31,924,761</u>
Net Change Operating Activities	(7,825,790)	(7,532,776)	(2,888,106)	(427,464)	2,551,863
Reserved for Capital Improvement Projects	-	-	-	-	-
Ending Fund Balance	\$ (61,015,070)	\$ (68,547,846)	\$ (71,435,952)	\$ (71,863,416)	\$ (69,311,553)

The City is projecting that the fund balance will end Fiscal Year 2023-24 at -\$61.0 million. It is anticipated that this figure will deteriorate to -\$69.3 million in Fiscal Year 2027-28, though will have returned to a structurally balance budget at that time. To arrive at these results a comprehensive projection was conducted, which includes (but is not limited to) the following major assumptions for the Self-Insurance Fund:

-
- Overall **Revenue growth** of approximately 16.7% annually
 - In an effort to keep pace with the anticipated increases in insurance premiums, anticipated legal expenses, workers compensation costs, potential settlements, and increased actuarially determined liability estimates contributions are increasing each year. It is projected that Fiscal Year 2027-28 is the first year where Self-Insurance is will not operate at a deficit.
 - Overall **Expenditure growth** of approximately 3.0% annually
 - Annual wage growth factor for settled and unsettled labor agreements, including CalPERS contribution projection adjustments each year based on projection modeling (6.8% discount rate; 6.2% annual returns)
 - 3% CPI adjustments for Materials, Supplies & Maintenance; Professional/Contract Services & Utilities; Training, Travel & Membership Dues; Liabilities, Settlements & Insurance; Water Supply Costs; Depreciation classifications
 - Projected costs of insurance premiums, settlements, and external attorney fees



CAPITAL IMPROVEMENT PLAN

Capital Improvement Plan

The City of Torrance biennially develops a five-year Capital Improvement Plan (CIP) budget, with annual adjustments made during in the interim budget years. Although the program spans multiple years, only funds for the current year (FY23-24) are appropriated as part of the budget process. This represents the first year of this new five-year plan. Next year, the plan will be revised again and the second year of the five-year plan will be approved and appropriated. The years beyond any current budget year are included as a planning tool to demonstrate total anticipated capital funding needs. Project needs are evaluated annually to ensure that budgets fall within available funding limits and best reflect current City priorities.

Capital Improvement Plan Structure

The Capital Improvement Plan is a five-year financial plan for the acquisition, expansion or rehabilitation of land, buildings and other major infrastructure.

Budget Process

The Capital Improvement Plan (CIP) budget process is a five-year planning cycle, updated biennially. The goal is to re-develop and establish a five-year plan, every two years, to ensure projects and funding availability are regularly evaluated and align with current priorities. While a five-year plan is presented, City Council only appropriates the first year of funding. Year 2 is appropriated in the mid-cycle update, with years 3-5 of the plan being included for planning purposes. This cycle then repeats itself when entering a new two-year budget cycle.

Continuing Projects

This budget document represents all projects that are recommended to receive new budget appropriations, which include some projects already approved but seeking additional funding as well as new projects. Due to the multi-year nature of capital projects and the fiscal best practice requiring that budget be allocated in the first year that a contract is awarded rather than on a projected cash flow basis, it is common for unspent budget to be “rolled over” from one fiscal year to another to allow for the completion of an approved project scope within contract and budget authority. Some projects that already received a budget allocation in FY22-23 or prior but are not yet complete may have unspent, approved budget rolled over into FY23-24. This is regularly monitored to ensure only necessary funds are appropriated each year so that the City can be efficient within its given resource availability.

Capital Improvement Plan Summary

Below is a summary of the Capital Improvement Plan, organized by Department to show the total amount of funding by fiscal year:

Department	FY 2023-24 Proposed CIP	FY 2024-25 Proposed CIP	FY 2025-26 Proposed CIP	FY 2026-27 Proposed CIP	FY 2027-28 Proposed CIP
CIT	1,015,000	1,245,000	2,360,000	7,220,000	50,000
City Clerk	15,000	15,000	15,000	15,000	15,000
City Manager	-	110,000	4,660,000	-	-
Community Development	430,000	1,000,000	1,557,000	100,000	100,000
Community Services	1,493,833	1,585,833	2,236,167	3,055,333	1,950,334
Fire	333,107	-	-	-	-
General Services	1,075,000	7,451,320	71,002,243	3,430,810	665,000
Public Works	38,602,222	21,515,933	21,847,433	21,587,433	29,692,042
Total Expenditures	\$ 42,964,162	\$ 32,923,086	\$ 103,677,843	\$ 35,408,576	\$ 32,472,376

Below is a summary of the Capital Improvement Plan, organized by funding source to show the total amount of funding by fiscal year. These projected demands on future funding are included in the five-year fund balance projections earlier in this document:

Funding Source	FY 2023-24 Proposed CIP	FY 2024-25 Proposed CIP	FY 2025-26 Proposed CIP	FY 2026-27 Proposed CIP	FY 2027-28 Proposed CIP
Airport Capital Project Fund	100,000	3,700,000	100,000	100,000	100,000
Cable-PEG (Public Educ Gov)	-	60,000	4,610,000	-	-
CDBG Fund	683,334	683,333	683,333	683,333	683,333
Debt Service Fund	-	-	68,000,000	-	-
DIF-Storm Drain Impact Capital	100,000	100,000	100,000	100,000	100,000
DIF-Utility Underground Cap	750,000	750,000	750,000	750,000	750,000
Fleet Services Fund	-	-	-	85,000	265,000
Gas Tax 2103	2,435,000	750,000	750,000	750,000	750,000
Gas Tax 2107/2107.5	200,000	250,000	250,000	250,000	250,000
General Fund	1,558,107	2,548,820	5,102,243	2,655,810	265,000
Measure A annual allocation	329,833	239,833	1,706,667	1,998,333	1,083,334
Measure M Local Return	2,231,679	1,848,000	2,489,500	2,500,000	2,500,000
Measure M Reimb Grant Fund	11,697,609	480,000	245,000	-	-
Measure R Local Return	2,312,500	3,272,500	3,197,500	3,212,500	3,187,500
Measure SST Fund	1,984,600	3,874,100	2,603,100	2,823,600	10,088,209
Measure W	1,000,000	2,150,000	2,150,000	2,150,000	2,150,000
Parks & Rec Open Space	330,000	-	-	-	150,000
Parks & Recr Facilities Fund	75,000	-	-	-	-
Prop A M&S	126,000	526,000	-	-	-
Prop C Local Return	3,247,500	2,487,500	2,487,500	2,550,000	2,550,000
Radio Comm Replacement	400,000	1,000,000	-	6,000,000	-
SB1	1,300,000	3,200,000	3,200,000	3,200,000	3,200,000
Sewer Capital Project Fund	2,400,000	1,900,000	1,400,000	1,400,000	1,400,000
TDA Article 3 Bicycle Fund	103,000	103,000	103,000	-	-
Telephone Replacement	-	-	250,000	1,200,000	-
Water Capital Project Fund	9,600,000	3,000,000	3,500,000	3,000,000	3,000,000
Total Expenditures	\$ 42,964,162	\$ 32,923,086	\$ 103,677,843	\$ 35,408,576	\$ 32,472,376

City Clerk – Department Capital Projects

Project List:

FEAP: 954; Electronic Records Management System

Project Title: FEAP: 954; Electronic Records Management System**Estimated Start Date:****Total Project Request: \$75,000****Estimated End Date: Ongoing****FY23-24 Request: \$15,000****Project Description**

The City Clerk's Office is working to convert hard copy records into digital format for efficient and effective records management, and setting in place an Electronic Records Management System ("ERMS"). The intent of the ERMS is to capture paper and electronic documents in a more permanent and durable medium and provide for the storage, retrieval, security and archiving of those documents.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	15,000	15,000	15,000	15,000	15,000	75,000
Total Project Appropriations	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 15,000	\$ 75,000

City Manager – Department Capital Projects

Project List:

FEAP: 1134; Broadcast Graphics Solution – CitiCABLE

NONFEAP: 12; Commercial Rehabilitation Rebate Program

FEAP: TBD; New Community Television Studio, Post-Production and Administration

FEAP: 952; Post Production/Asset Management Systems

FEAP: 1104; Studio Prod Control Rm, Robotics, Pedestals, Jib, Sound System

Project Title: FEAP: 1134; Broadcast Graphic Solutions - CitiCABLE**Estimated Start Date:****Total Project Request: \$75,000****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

Broadcast Graphics Solution that provides eye-catching real-time 3D graphics, timely news characters, motion graphics, over-the-shoulder (OTS) images, channel branding, and other compelling visual content.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Cable-PEG (Public Educ Gov)	-	-	75,000	-	-	75,000
Total Project Appropriations	\$ -	\$ -	\$ 75,000	\$ -	\$ -	\$ 75,000

Project Title: NONFEAP: 12; Commercial Rehabilitation Rebate Program**Estimated Start Date:****Total Project Request: \$100,000****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

The Commercial Rehabilitation Rebate Program is a funds matching program for commercial property owners across the city. The Office of Economic Development partners with Community Development, Public Works, and Finance Departments to facilitate the program. This program not only benefits participating businesses and addresses any property maintenance compliance issues but also supports the City's beautification efforts and boosts business attraction and retention. Potential projects include, but are not limited to, the following: Façade Upgrades, Lighting, Landscaping & Irrigation, Trash Enclosures, Awnings, Painting & Stucco, Seismic Upgrades, Parking Lot Sealing & Striping, Window & Door Upgrades, and Outdoor Dining Upgrades.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	50,000	50,000	-	-	100,000
Total Project Appropriations	\$ -	\$ 50,000	\$ 50,000	\$ -	\$ -	\$ 100,000

**Project Title: FEAP: TBD; New Community Television Studio, Post-Production
and Administration****Estimated Start Date:****Total Project Request: \$3,500,000****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

Complete replacement of the facilities contained in the Stanley E. Remelmeyer Telecommunications Center. These facilities include: Administrative offices reception area, six Supervisors' Offices, two Managers' Offices, multiple cubicle workspaces, Interactive Communications Office (shared), Post-Production areas, Production Control, Radio, Master Control, Media Library, Green Room, Set Storage, Field Equipment Storage, and Production Studio.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Cable-PEG (Public Educ Gov)	-	-	3,500,000	-	-	3,500,000
Total Project Appropriations	\$ -	\$ -	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000

Project Title FEAP: 952; Post Production/Asset Management Systems**Estimated Start Date:****Total Project Request: \$120,000****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

Post-Production systems that will provide a full set of high-performance built-in features for editing video, managing audio, creating real-time effects and titles, adding graphics, compositing and working seamlessly with third-party applications.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Cable-PEG (Public Educ Gov)	-	60,000	60,000	-	-	120,000
Total Project Appropriations	\$ -	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ 120,000

**Project Title: FEAP: 1104; Studio Prod Control Rm, Robotics, Pedestals, Jib,
Sound System**

Estimated Start Date:	Total Project Request: \$975,000
Estimated End Date: Ongoing	FY23-24 Request: \$0

Project Description

Replacement of monitors, switcher, digital effects, speakers, audio mixer, routing equipment, and robotic system.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Cable-PEG (Public Educ Gov)	-	-	975,000	-	-	975,000
Total Project Appropriations	\$ -	\$ -	\$ 975,000	\$ -	\$ -	\$ 975,000

Communication and Information Technology – Department Capital Projects

Project List:

FEAP: 973; Accela Project Implementation

FEAP: TBD; City Website Redesign

FEAP: TBD; Citywide Phone System Replacement

FEAP: TBD; Cybersecurity & Compliance Implementation Services

FEAP: TBD; Disaster Recovery Implementation Services

FEAP: 1139; Enterprise Resource Planning System Replacement

FEAP: TBD; FD & PD Mobile/Portable Radio Replacement

FEAP: TBD; FD Microwave Wireless Links

FEAP: TBD; GIS System Upgrade

FEAP: TBD; Legacy Radio Equipment

FEAP: TBD; WiFi system upgrade

FEAP: 1109; Wireless Cellular Boosters and WIFI Improvements

Communications and Information Technology

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 973; Accela Project Implementation

Estimated Start Date: **Total Project Request: \$120,000**

Estimated End Date: Ongoing **FY23-24 Request: \$45,000**

Project Description

Expand the Accela Asset Management system to additional staff and enhance system functionality for Public Works and Community Services - Parks. Implement enhancements to the Accela system for permits, licenses, service requests and asset management.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	45,000	45,000	10,000	20,000	-	120,000
Total Project Appropriations	\$ 45,000	\$ 45,000	\$ 10,000	\$ 20,000	\$ -	\$ 120,000

Communications and Information Technology

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; City Website Redesign

Estimated Start Date:

Total Project Request: \$370,000

Estimated End Date: Ongoing

FY23-24 Request: \$200,000

Project Description

This project will refresh the City website and add additional online capabilities, such as open data portal, improved information searching, and additional online services. CIT will work with the Cable Division to design a site that meets functional and ADA compliance requirements, adding many new features and services for our community.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	200,000	120,000	50,000	-	-	370,000
Total Project Appropriations	\$ 200,000	\$ 120,000	\$ 50,000	\$ -	\$ -	\$ 370,000

Project Title: FEAP: TBD; Citywide Phone System Replacement

Estimated Start Date:

Total Project Request: \$1,450,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

The City Business Phone Replacement Project will transition the phone system to the cloud. The PBX in the cloud will replace the obsolete on-premises hardware integrated with Microsoft Teams. The project will be delivered in two phases: 1) in year one, we will complete an inventory of all phone lines, T1 trunks, and equipment and will develop an implementation plan schedule; 2) in year 2, we will migrate all extensions, phone trees, and mailboxes to the cloud PBX, switching all communications to Voice over IP (VoIP) technology.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Telephone Replacement	-	-	250,000	1,200,000	-	1,450,000
Total Project Appropriations	\$ -	\$ -	\$ 250,000	\$ 1,200,000	\$ -	\$ 1,450,000

Communications and Information Technology

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Cybersecurity & Compliance Implementation Services

Estimated Start Date:

Total Project Request: \$100,000

Estimated End Date: Ongoing

FY23-24 Request: \$70,000

Project Description

A series of implementation projects will roll out security and compliance Microsoft 365 features covering areas such as information security, identity protection, data retention, applications security, and mobile device management.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	70,000	30,000	-	-	-	100,000
Total Project Appropriations	\$ 70,000	\$ 30,000	\$ -	\$ -	\$ -	\$ 100,000

Communications and Information Technology

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Disaster Recovery Implementation Services

Estimated Start Date:

Total Project Request: \$50,000

Estimated End Date: Ongoing

FY23-24 Request: \$50,000

Project Description

This project is to redesign the City's disaster recovery and business continuity services, incorporating functional changes in the data center and adopting the latest technologies.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	50,000	-	-	-	-	50,000
Total Project Appropriations	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000

Communications and Information Technology

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 1139; Enterprise Resource Planning System Replacement

Estimated Start Date:

Total Project Request: \$2,000,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

This project seeks funding to replace the City's current Enterprise Resource Planning (ERP) System which also includes a full evaluation of associated systems and modules such as: budgeting, payroll/benefits, cashiering, billing/invoicing, and financial reporting,

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	2,000,000	-	-	2,000,000
Total Project Appropriations	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000

Project Title: FEAP: TBD; FD & PD Mobile/Portable Radio Replacement

Estimated Start Date:	Total Project Request: \$6,000,000
Estimated End Date: Ongoing	FY23-24 Request: \$0

Project Description

The project will replace over 700 mobile and portable radios for Police and Fire. The equipment is on a 10-year replacement cycle. The ICI System will be entering Phase II (TDMA), entailing enhanced channel capacity, OTAR (Over the Air Rekeying) and LTE Connect, no name some new features currently being deployed. The project funds the replacement and upgrade of the existing equipment to in line with current standards throughout ICI System.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Radio Comm Replacement	-	-	-	6,000,000	-	6,000,000
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 6,000,000	\$ -	\$ 6,000,000

Communications and Information Technology

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; FD Microwave Wireless Links

Estimated Start Date:

Total Project Request: \$400,000

Estimated End Date: Ongoing

FY23-24 Request: \$400,000

Project Description

This project replaces five microwave wireless licensed point-to-point connections to the Fire Stations. The existing equipment has reached the end of life and is no longer supported. The new equipment will enhance throughput and network security.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Radio Comm Replacement	400,000	-	-	-	-	400,000
Total Project Appropriations	\$ 400,000	\$ -	\$ -	\$ -	\$ -	\$ 400,000

Project Title: FEAP: TBD; GIS System Upgrade

Estimated Start Date:

Total Project Request: \$125,000

Estimated End Date: Ongoing

FY23-24 Request: \$75,000

Project Description

This project is to expand our GIS system capabilities include GIS and Accela integration, Tablet Command System support for Fire Department, TPD Transparency Portal, and drone imaging integration. The project will add maps, reports, and analytical data platforms for our community and City departments.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	75,000	50,000	-	-	-	125,000
Total Project Appropriations	\$ 75,000	\$ 50,000	\$ -	\$ -	\$ -	\$ 125,000

Project Title: FEAP: TBD; Legacy Radio Equipment

Estimated Start Date:	Total Project Request: \$1,000,000
Estimated End Date: Ongoing	FY23-24 Request: \$0

Project Description

This project replaces the City of Torrance legacy communications system. The legacy communication system is used to communicate with agencies not affiliated with ICI System, access channels. Furthermore, the legacy communication system is used by both Police, Fire and Local Government for emergency communications, tactical channels and if the ICI System and INSB were to sustain a critical failure. The project equipment is over 15 years old, is no longer supported and replacement boards are unavailable.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Radio Comm Replacement	-	1,000,000	-	-	-	1,000,000
Total Project Appropriations	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000

Communications and Information Technology

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; WiFi system upgrade

Estimated Start Date:

Total Project Request: \$150,000

Estimated End Date: Ongoing

FY23-24 Request: \$50,000

Project Description

This Wi-Fi upgrade project intends to replace unsupported equipment in public libraries and other City facilities. Additional coverage areas will be added to support the growing need for Wi-Fi services.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	50,000	-	50,000	-	50,000	150,000
Total Project Appropriations	\$ 50,000	\$ -	\$ 50,000	\$ -	\$ 50,000	\$ 150,000

Project Title: FEAP: 1109; Wireless Cellular Boosters and WIFI Improvements

Estimated Start Date:

Total Project Request: \$125,000

Estimated End Date: Ongoing

FY23-24 Request: \$125,000

Project Description

The projects replace all obsolete Access Points (AP) and migrates all existing 2800 APs to a cloud-managed system as well as deploying and migrating all the existing 2800 APs to virtual Wi-Fi controllers to reduce support costs and improve ease of system management. It also adds additional Wi-Fi access points in various conference rooms that have inadequate coverage.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	125,000	-	-	-	-	125,000
Total Project Appropriations	\$ 125,000	\$ -	\$ -	\$ -	\$ -	\$ 125,000

Community Development – Department Capital Projects

Project List:

FEAP: TBD; Cabrillo Avenue Redesign

FEAP: 1137; Conversion of Archived Planning Entitlement files to Digital Format

FEAP: TBD; Electronic Plan Submittal and Review

IFCDD; 3D GIS Mapping/Cyclopedia

FEAP: TBD; Upgrade Downtown Torrance Lights to LED

FEAP: 792; Zoning Code Update

Project Title: FEAP: TBD; Cabrillo Avenue Redesign

Estimated Start Date:	Total Project Request: \$650,000
Estimated End Date: Ongoing	FY23-24 Request: \$0

Project Description

Redesign of Cabrillo Avenue Streetscape between Carson Street and 213th Street as a livable/complete street.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	650,000	-	-	650,000
Total Project Appropriations	\$ -	\$ -	\$ 650,000	\$ -	\$ -	\$ 650,000

Community Development

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 1137; Conversion of Archived Planning Entitlement files to Digital Format

Estimated Start Date:

Total Project Request: \$530,000

Estimated End Date: Ongoing

FY23-24 Request: \$130,000

Project Description

Converting plans, reports and other documents to digital format to integrate with the Department's current digital plans archiving system and ultimately integrate the scanned documents in the correlating case numbers in Accela and GIS.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	130,000	100,000	100,000	100,000	100,000	530,000
Total Project Appropriations	\$ 130,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 530,000

Project Title: FEAP: TBD; Electronic Plan Submittal and Review**Estimated Start Date:****Total Project Request: \$500,000****Estimated End Date: Ongoing****FY23-24 Request: \$100,000****Project Description**

Purchase a computer software program that would allow electronic submittal and review of electronic construction drawings. In order for City staff to make use of this type of software program additional hardware and licenses would also be required and would also have to be purchased, such as double or larger computer screens to review e-plans. The software would enable the public to submit construction drawings electronically on a 24/7 basis without having to make a trip to City Hall and integrate into the existing Accela Permits system. The software would also benefit City staff by enabling a more efficient method to review construction drawings, including corrections, across several Divisions and Departments simultaneously with an end product in an electronic format that would ease some of the scanning and archiving needs.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	100,000	400,000	-	-	-	500,000
Total Project Appropriations	\$ 100,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 500,000

Project Title: IFCDD; 3D GIS Mapping/Cyclopedia**Estimated Start Date:****Total Project Request: \$140,000****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

Purchase a 3D GIS Mapping System that applies GIS technology to urban planning to streamline plan creation, analyze the impact of plans, visualize current projects, and facilitate public engagement. A 3D GIS Mapping System would allow staff the ability to do the following:

- View a digital representation of the City in which all urban developments are visualized in one place for collaboration among stakeholder groups.
- Create and compare design scenarios.
- Visualize zoning rules in 3D. Convert legal text into a visual representation that could be used for detailed scenario planning down to the parcel level.
- Generate plausible buildings according to zoning regulations and draw custom buildings.
- Analyze the impact of plans with predefined or custom metrics.
- Discuss and review plan and project scenarios within user groups.
- Gather feedback from the public on plans and projects.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	140,000	-	-	140,000
Total Project Appropriations	\$ -	\$ -	\$ 140,000	\$ -	\$ -	\$ 140,000

Community Development

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Upgrade Downtown Torrance Lights to LED

Estimated Start Date:

Total Project Request: \$1,017,000

Estimated End Date: Ongoing

FY23-24 Request: \$200,000

Project Description

The installation of a new LED street lighting system on poles owned by Southern California Edison within the Downtown area.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	200,000	500,000	317,000	-	-	1,017,000
Total Project Appropriations	\$ 200,000	\$ 500,000	\$ 317,000	\$ -	\$ -	\$ 1,017,000

Project Title: FEAP: 792; Zoning Code Update

Estimated Start Date:

Total Project Request: \$350,000

Estimated End Date: Ongoing

FY23-24 Request: \$130,000

Project Description

The General Plan is the long-term visioning document for land use within the City. Completion of the General Plan necessitates updates to the Zoning Code to ensure compatibility between use types and development standards, and for regulating land use. The General Plan identifies 13 land use designations: Low Density Residential, General Commercial, Light Industrial, Public/Quasi-Public/Open Space, Low Medium Density Residential, Commercial Center, Heavy Industrial, Hospital/Medical, Medium High Density Residential, Residential Office, Business Park, Airport, High Density Residential.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	350,000	-	-	350,000
Total Project Appropriations	\$ -	\$ -	\$ 350,000	\$ -	\$ -	\$ 350,000

Community Services – Department Capital Projects

Project List:

FEAP: TBD; Audio Visual Improvements at Libraries
FEAP: TBD; Columbia Park Bocce Courts Replace court turf surface
FEAP: TBD; Columbia Park Improvements
FEAP: TBD; Irrigation Sensors at Parks
FEAP: TBD; LED lighting installation at Park Ball Fields
FEAP: TBD; Madrona Marsh Perimeter Fence
FEAP: TBD; Madrona Marsh Pump & Sump Repair
FEAP: TBD; Pathway Lighting at Parks
FEAP: TBD; Playground Equipment Replacement
FEAP: TBD; Replace 60 park outdoor BBQ units
FEAP: TBD; Replace park water fountains with bottle filling/water fountain stations
FEAP: TBD; Replace park wood/metal tables with concrete
FEAP: TBD; Replace/Install playground rubberized surfacing
FEAP: TBD; Resurface park playing courts (basketball/tennis)
FEAP: TBD; Ruben C. Ordaz Community Center Improvements at Pueblo Park
FEAP: TBD; Torrance Park Adult Fitness Equipment
FEAP: 1038; Torrance Park Redesign and construction of amphitheater
FEAP: TBD; Victor Park Rehabilitation of picnic shelter area
FEAP: TBD; Walteria Park Parking lot Expansion
FEAP: TBD; Wilson Park Improvements

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Audio Visual Improvements at Libraries

Estimated Start Date:

Total Project Request: \$30,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Supply new audio-visual equipment to Torrance libraries.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	30,000	-	-	-	30,000
Total Project Appropriations	\$ -	\$ 30,000	\$ -	\$ -	\$ -	\$ 30,000

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Columbia Park Bocce Courts Replace court turf surface

Estimated Start Date:

Total Project Request: \$25,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Replace the artificial playing surface at three bocce courts.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	25,000	-	-	-	-	25,000
Total Project Appropriations	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000

Project Title: FEAP: TBD; Columbia Park Improvements**Estimated Start Date:****Total Project Request: \$3,749,999****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

Create a soccer complex with 4 artificial turf fields and grandstands.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure A annual allocation	-	-	1,533,333	1,533,333	683,333	3,749,999
Total Project Appropriations	\$ -	\$ -	\$ 1,533,333	\$ 1,533,333	\$ 683,333	\$ 3,749,999

Project Title: FEAP: TBD; Irrigation Sensors at Parks**Estimated Start Date:****Total Project Request: \$700,000****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

Install remote line sensors for park irrigation systems for system failure and leakage real-time reporting.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	-	-	350,000	350,000	700,000
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 350,000	\$ 350,000	\$ 700,000

Project Title: FEAP: TBD; LED lighting installation at Park Ball Fields**Estimated Start Date:****Total Project Request: \$724,999****Estimated End Date: Ongoing****FY23-24 Request: \$193,333****Project Description**

Replace incandescent ball field light fixtures and install new ball field LED lighting for nighttime play.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure A annual allocation	193,333	193,333	173,333	165,000	-	724,999
Total Project Appropriations	\$ 193,333	\$ 193,333	\$ 173,333	\$ 165,000	\$ -	\$ 724,999

Project Title: FEAP: TBD; Madrona Marsh Perimeter Fence**Estimated Start Date:****Total Project Request: \$90,000****Estimated End Date: Ongoing****FY23-24 Request: \$90,000****Project Description**

Replacing approximately 1/4 mile of wrought iron fence. Repairing approximately 1/2 mile of fence through bracing and welding.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure A annual allocation	90,000	-	-	-	-	90,000
Total Project Appropriations	\$ 90,000	\$ -	\$ -	\$ -	\$ -	\$ 90,000

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Madrona Marsh Pump & Sump Repair

Estimated Start Date:

Total Project Request: \$75,000

Estimated End Date: Ongoing

FY23-24 Request: \$60,000

Project Description

Replace the three pumps in the Maple Avenue Sump.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	60,000	15,000	-	-	-	75,000
Total Project Appropriations	\$ 60,000	\$ 15,000	\$ -	\$ -	\$ -	\$ 75,000

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Pathway Lighting at Parks

Estimated Start Date:

Total Project Request: \$290,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Replace incandescent pathway light fixtures with LED and solar technologies.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	100,000	100,000	90,000	-	290,000
Total Project Appropriations	\$ -	\$ 100,000	\$ 100,000	\$ 90,000	\$ -	\$ 290,000

Project Title: FEAP: TBD; Playground Equipment Replacement**Estimated Start Date:****Total Project Request: \$1,927,500****Estimated End Date: Ongoing****FY23-24 Request: \$287,500****Project Description**

Replace playground equipment sets each year throughout the City meeting current safety and child engagement standards. It is tentatively planned that the following locations will be replaced in the following years:

- FY2024: Entradero Park
- FY2025: Torrance Park
- FY2026: Alta Loma Park
- FY2027: El Nido Park, Paradise Park, Sur La Brea Park
- FY2028: Columbia Park

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure A annual allocation	-	-	-	300,000	400,000	700,000
Measure SST Fund	287,500	402,500	287,500	250,000	-	1,227,500
Total Project Appropriations	\$ 287,500	\$ 402,500	\$ 287,500	\$ 550,000	\$ 400,000	\$ 1,927,500

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Replace park outdoor BBQ units

Estimated Start Date:

Total Project Request: \$45,000

Estimated End Date: Ongoing

FY23-24 Request: \$22,500

Project Description

Replacement of BBQ grill units in City parks.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	22,500	22,500	-	-	-	45,000
Total Project Appropriations	\$ 22,500	\$ 22,500	\$ -	\$ -	\$ -	\$ 45,000

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Replace park water fountains with bottle filling/water fountain stations

Estimated Start Date:

Total Project Request: \$62,500

Estimated End Date: Ongoing

FY23-24 Request: \$12,500

Project Description

Modernization of outdated water fountains with fountains that improve user experience and convenience.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	12,500	12,500	12,500	12,500	12,500	62,500
Total Project Appropriations	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 12,500	\$ 62,500

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Replace park wood/metal tables with concrete

Estimated Start Date:

Total Project Request: \$22,500

Estimated End Date: Ongoing

FY23-24 Request: \$4,500

Project Description

Annual replacement of park picnic tables for safety and durability.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	4,500	4,500	4,500	4,500	4,500	22,500
Total Project Appropriations	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 4,500	\$ 22,500

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Replace/Install playground rubberized surfacing

Estimated Start Date:

Total Project Request: \$252,000

Estimated End Date: Ongoing

FY23-24 Request: \$126,000

Project Description

Repair and replacement of playground rubberized surface to comply with mandated playground inspection standards and provide a consistent experience for users.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Prop A M&S	126,000	126,000	-	-	-	252,000
Total Project Appropriations	\$ 126,000	\$ 126,000	\$ -	\$ -	\$ -	\$ 252,000

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Resurface park playing courts (basketball/tennis)

Estimated Start Date:

Total Project Request: \$93,000

Estimated End Date: Ongoing

FY23-24 Request: \$46,500

Project Description

Repair and leveling of hard courts for basketball, tennis, pickleball and paddle tennis at various parks to ensure safe and consistent play.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure A annual allocation	46,500	46,500	-	-	-	93,000
Total Project Appropriations	\$ 46,500	\$ 46,500	\$ -	\$ -	\$ -	\$ 93,000

Community Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Ruben C. Ordaz Community Center Improvements at Pueblo Park

Estimated Start Date: Total Project Request: \$161,000

Estimated End Date: Ongoing FY23-24 Request: \$161,000

Project Description

Renovation of the Ordaz Community Center to update the kitchen appliances and venting, and to install pass-through doors connecting the interior to the backyard and patio.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	161,000	-	-	-	-	161,000
Total Project Appropriations	\$ 161,000	\$ -	\$ -	\$ -	\$ -	\$ 161,000

Project Title: FEAP: TBD; Torrance Park Adult Fitness Equipment**Estimated Start Date:****Total Project Request: \$138,000****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

Installation of outdoor adult fitness equipment to activate an unused area of Torrance Park next to the basketball court and along the Park's perimeter walking path.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	138,000	-	-	-	138,000
Total Project Appropriations	\$ -	\$ 138,000	\$ -	\$ -	\$ -	\$ 138,000

**Project Title: FEAP: 1038; Torrance Park Redesign and construction of
amphitheater****Estimated Start Date:****Total Project Request: \$150,000****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

The Torrance Park Renovation Project includes enhancements called out in the Torrance Park Master Plan Study and the community outreach efforts in May/June 2019. The improvements will include, but are not limited to: the interior walkways, landscaping, installation of a new irrigation system, construction of a new bandshell, new shade and picnic structures, upgraded sport and walkway lighting, replacement of the perimeter fencing and baseball field improvements, preservation of historic park elements.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Parks & Rec Open Space	-	-	-	-	150,000	150,000
Total Project Appropriations	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000

Project Title: FEAP: TBD; Victor Park Rehabilitation of picnic shelter area

Estimated Start Date:

Total Project Request: \$50,000

Estimated End Date: Ongoing

FY23-24 Request: \$50,000

Project Description

Improve the functionality of the picnic shelter at Victor Park by opening the shelter walls, reducing ground and tree cover, and updating the fixtures at the shelter kitchen.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	50,000	-	-	-	-	50,000
Total Project Appropriations	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000

Project Title: FEAP: TBD; Walteria Park Parking lot Expansion**Estimated Start Date:****Total Project Request: \$150,000****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

Expand public parking at Walteria Park, Library and Senior Center by repurposing the vacant shuffleboard courts.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	75,000	75,000	-	-	150,000
Total Project Appropriations	\$ -	\$ 75,000	\$ 75,000	\$ -	\$ -	\$ 150,000

Project Title: FEAP: TBD; Wilson Park Improvements**Estimated Start Date:****Total Project Request: \$815,000****Estimated End Date: Ongoing****FY23-24 Request: \$415,000****Project Description**

Upgrades to existing and installation of new amenities at Wilson Park to maintain safety, cleanliness and expand capacity.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	160,000	-	-	-	-	160,000
Parks & Rec Open Space	180,000	-	-	-	-	180,000
Parks & Recr Facilities Fund	75,000	-	-	-	-	75,000
Prop A M&S	-	400,000	-	-	-	400,000
Total Project Appropriations	\$ 415,000	\$ 400,000	\$ -	\$ -	\$ -	\$ 815,000

Fire – Department Capital Projects

Project List:

FEAP: TBD; Community AED Purchase

Fire

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Community AED Purchase

Estimated Start Date:

Total Project Request: \$333,107

Estimated End Date: Ongoing

FY23-24 Request: \$333,107

Project Description

The objective of a Public Access Defibrillation (PAD) program is to minimize fatalities caused by sudden cardiac arrest incidents in high traffic areas and key locations within city buildings. This is accomplished by installing Automated External Defibrillators (AEDs) in accessible locations and training staff in cardiopulmonary resuscitation (CPR) and how to use AEDs.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	333,107	-	-	-	-	333,107
Total Project Appropriations	\$ 333,107	\$ -	\$ -	\$ -	\$ -	\$ 333,107

General Services – Department Capital Projects

Project List:

FEAP: TBD; Acquisition of Dilution Control System
FEAP: 1136; Airfield Lighting and Signage Upgrade
FEAP: 1141; Airport Tower Air Conditioning
FEAP: TBD; Apparatus Bays at Fire Stations
FEAP: TBD; Armstrong Theatre Rigging System
FEAP: 871; Automatic Transfer Switch Replacements
FEAP: TBD; Bartlett Senior Center Improvements
FEAP: 977; Bathroom Renovations at various Parks
FEAP: TBD; Building Re-pipe - CRRD/Fire Prevention
FEAP: TBD; Cultural Arts Center Security Improvements
FEAP: TBD; Exterior & Wood Repairs at Park Buildings
FEAP: 978; Floor Covering & Carpet Replacement at Various City Facilities
FEAP: TBD; Forklift at Fleet Services
FEAP: 981; HVAC Major Maintenance and Replacements
FEAP: TBD; Install Trash Enclosures at Various City Buildings
FEAP: TBD; Install/Repair Wind Screens
FEAP: TBD; Inventory Control Software & Hardware
FEAP: TBD; Lighting Upgrade to LED at libraries
FEAP: TBD; Modernize Elevator Control at Various City Buildings
FEAP: 592; Painting of City Facilities
FEAP: TBD; Plumbing Improvements at various libraries
FEAP: TBD; Public Safety Headquarters
FEAP: 1082; Remodel GAC and East T Restrooms
FEAP: 985; Replace Water and Sewer Lines - Parks and Rec Areas
FEAP: 984; Replacement and Repair of Roofs at Various City Buildings
FEAP: TBD; Saw Dust Collection System
FEAP: TBD; Shelving Replacement at various libraries
FEAP: TBD; Telematics Implementation for Vehicles at Fleet Services
FEAP: TBD; Theatre Seating a 1316 Cabrillo Ave property
FEAP: TBD; Toyota Meeting Hall Lighting
FEAP: 982; Upgrade Exterior Lighting - Civic Center and Parks
FEAP: 983; Upgrade Interior Lighting - Civic Center
FEAP: 604; Various City Buildings- Boiler Replacement
FEAP: TBD; Water Heater - Fire Station 1

FEAP: TBD; West Annex Upgrade
FEAP: TBD; Wide Format Flatbed Printer
FEAP: TBD; Wilson Park Building 8 Project

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Acquisition of Dilution Control System

Estimated Start Date:

Total Project Request: \$25,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Acquisition and installation of a dilution control system to economically and safely create ready-to-use cleaning solutions.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	25,000	-	-	25,000
Total Project Appropriations	\$ -	\$ -	\$ 25,000	\$ -	\$ -	\$ 25,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 1136; Airfield Lighting and Signage Upgrade

Estimated Start Date:

Total Project Request: \$3,150,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Majority of all Airport lighting is supplied by direct burial cables, and not encased in conduit. This project would remove all existing direct burial cables, replace with new wire and conduit, and replace all lighting fixtures with energy efficient LED's. In addition, new lighted signage would be added, replacing metal reflective signs.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Airport Capital Project Fund	-	3,150,000	-	-	-	3,150,000
Total Project Appropriations	\$ -	\$ 3,150,000	\$ -	\$ -	\$ -	\$ 3,150,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 1141; Airport Tower Air Conditioning

Estimated Start Date:

Total Project Request: \$175,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Replacement of condenser at ground level and air handler for the 4th floor tower cab.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Airport Capital Project Fund	-	175,000	-	-	-	175,000
Total Project Appropriations	\$ -	\$ 175,000	\$ -	\$ -	\$ -	\$ 175,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Apparatus Bays at Fire Stations

Estimated Start Date:

Total Project Request: \$1,400,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Design and construction of new apparatus bays for the storage of emergency response vehicles at Fire Stations 2, 3 and 5.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	300,000	1,100,000	-	1,400,000
Total Project Appropriations	\$ -	\$ -	\$ 300,000	\$ 1,100,000	\$ -	\$ 1,400,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Armstrong Theatre Rigging System

Estimated Start Date:

Total Project Request: \$220,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

In the Armstrong Theatre, replace stage operating and lift lines, rope locks, tension, loft, and idler blocks, batten terminations, fire curtain release line, and fire curtain hoist.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	220,000	-	-	-	220,000
Total Project Appropriations	\$ -	\$ 220,000	\$ -	\$ -	\$ -	\$ 220,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 871; Automatic Transfer Switch Replacements

Estimated Start Date:

Total Project Request: \$365,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Replace existing 2 ATS and replace 3 MTS's with 5 ATS's for the Transit building. MTS's have to be manually switched during outages, replace with automatic transfer switches.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	65,000	300,000	-	-	365,000
Total Project Appropriations	\$ -	\$ 65,000	\$ 300,000	\$ -	\$ -	\$ 365,000

Project Title: FEAP: TBD; Bartlett Senior Center Improvements

Estimated Start Date:	Total Project Request: \$190,000
Estimated End Date: Ongoing	FY23-24 Request: \$190,000

Project Description

Upgrades and repairs to the upper level walk deck at Bartlett Senior Center.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	40,000	-	-	-	-	40,000
Parks & Rec Open Space	150,000	-	-	-	-	150,000
Total Project Appropriations	\$ 190,000	\$ -	\$ -	\$ -	\$ -	\$ 190,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 977; Bathroom Renovations at various Parks

Estimated Start Date:

Total Project Request: \$1,380,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

This would be a complete interior renovation of the public use restrooms and recreation building restrooms at El Nido, Guenser, and Entradero Parks. Upgrades would include ADA compliance, new fixtures and anti-graffiti coating.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	1,380,000	-	-	-	1,380,000
Total Project Appropriations	\$ -	\$ 1,380,000	\$ -	\$ -	\$ -	\$ 1,380,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN
FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Building Re-pipe - CRRD/Fire Prevention

Estimated Start Date:	Total Project Request: \$65,000
Estimated End Date: Ongoing	FY23-24 Request: \$65,000

Project Description

Plumbing system upgrades at the Community Risk Reduction Division building.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	65,000	-	-	-	-	65,000
Total Project Appropriations	\$ 65,000	\$ -	\$ -	\$ -	\$ -	\$ 65,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Cultural Arts Center Security Improvements

Estimated Start Date:

Total Project Request: \$230,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Installation of new security camera system and electronic door access control system at the Cultural Arts Center.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	-	230,000	-	-	230,000
Total Project Appropriations	\$ -	\$ -	\$ 230,000	\$ -	\$ -	\$ 230,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Exterior & Wood Repairs at Park Buildings

Estimated Start Date:

Total Project Request: \$320,000

Estimated End Date: Ongoing

FY23-24 Request: \$120,000

Project Description

Replacement and repairs to restroom building exteriors at El Nido Park, Guenser Park, Delthorne Park, Columbia Park, El Retiro Park, Sea-Aire Park

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	120,000	-	200,000	-	-	320,000
Total Project Appropriations	\$ 120,000	\$ -	\$ 200,000	\$ -	\$ -	\$ 320,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 978; Floor Covering & Carpet Replacement at Various City Facilities

Estimated Start Date: **Total Project Request: \$500,000**

Estimated End Date: Ongoing **FY23-24 Request: \$100,000**

Project Description

Replace existing floor coverings for various City facilities. Tile, vinyl flooring, carpet and other associated floor coverings are included. Abatement of hazardous materials is included.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	100,000	100,000	-	100,000	200,000	500,000
Total Project Appropriations	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ 200,000	\$ 500,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Forklift at Fleet Services

Estimated Start Date:

Total Project Request: \$80,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Acquisition of a new forklift vehicle for warehouse operations in the Fleet Services Division.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Fleet Services Fund	-	-	-	-	80,000	80,000
Total Project Appropriations	\$ -	\$ -	\$ -	\$ -	\$ 80,000	\$ 80,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 981; HVAC Major Maintenance and Replacements

Estimated Start Date:

Total Project Request: \$754,700

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

This project will replace HVAC equipment at the Toyota Meeting Hall, Torrance Art Museum, Teen Center, Fire Station #5, North Torrance Library, and Tilliam Center.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	397,500	182,000	175,200	-	754,700
Total Project Appropriations	\$ -	\$ 397,500	\$ 182,000	\$ 175,200	\$ -	\$ 754,700

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Install Trash Enclosures at Various City Buildings

Estimated Start Date:

Total Project Request: \$363,750

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Construction of new trash enclosures at various city buildings as required by state building standards.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	-	363,750	-	363,750
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 363,750	\$ -	\$ 363,750

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN
FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Install/Repair Wind Screens

Estimated Start Date:	Total Project Request: \$140,360
Estimated End Date: Ongoing	FY23-24 Request: \$0

Project Description

Installation and repair of rooftop HVAC windscreen systems as required by state building standards.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	-	140,360	-	140,360
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 140,360	\$ -	\$ 140,360

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Inventory Control Software & Hardware

Estimated Start Date:

Total Project Request: \$85,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Acquisition and implementation of a new wireless inventory management system for the Fleet Services Division.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Fleet Services Fund	-	-	-	85,000	-	85,000
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 85,000	\$ -	\$ 85,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Lighting Upgrade to LED at libraries

Estimated Start Date:

Total Project Request: \$250,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Installation of new LED lighting system upgrades at Katy Geisert Civic Center Library, El Retiro Library, Henderson Library, North Torrance Library, Southeast Library, and Walteria Library.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	250,000	-	-	-	250,000
Total Project Appropriations	\$ -	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Modernize Elevator Control at Various City Buildings

Estimated Start Date:

Total Project Request: \$440,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Modernization of elevator machinery and controls at Katy Geisser Civic Center Library as required by state inspection standards.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	-	440,000	-	440,000
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 440,000	\$ -	\$ 440,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN
FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 592; Painting of City Facilities

Estimated Start Date:	Total Project Request: \$360,000
Estimated End Date: Ongoing	FY23-24 Request: \$0

Project Description

Exterior painting for Civic Center and Park facilities.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	-	360,000	-	-	360,000
Total Project Appropriations	\$ -	\$ -	\$ 360,000	\$ -	\$ -	\$ 360,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Plumbing Improvements at various libraries

Estimated Start Date:

Total Project Request: \$200,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Plumbing system upgrades at Katy Geisert Civic Center Library, El Retiro Library, Henderson Library, North Torrance Library, Southeast Library, and Walteria Library.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	-	-	100,000	100,000	200,000
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 200,000

Project Title: FEAP: TBD; Public Safety Headquarters

Estimated Start Date:	Total Project Request: \$68,000,000
Estimated End Date: Ongoing	FY23-24 Request: \$0

Project Description

This project includes anticipated funding impacts of a new joint public safety headquarters shared between police and fire. The scope, location, and other details are in the development phase and this project will be revise as this process is furthered.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Debt Service Fund	-	-	68,000,000	-	-	68,000,000
Total Project Appropriations	\$ -	\$ -	\$ 68,000,000	\$ -	\$ -	\$ 68,000,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 1082; Remodel GAC and East T Restrooms

Estimated Start Date:

Total Project Request: \$275,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Remodel the existing General Aviation Center and East T Hangar restrooms. This will include new flooring, electrical, fixtures and ADA upgrades.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Airport Capital Project Fund	-	275,000	-	-	-	275,000
Total Project Appropriations	\$ -	\$ 275,000	\$ -	\$ -	\$ -	\$ 275,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 985; Replace water and sewer lines - Parks and Rec areas

Estimated Start Date:

Total Project Request: \$150,000

Estimated End Date: Ongoing

FY23-24 Request: \$150,000

Project Description

This project will replace Parks & Recreation related water and sewer systems.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	150,000	-	-	-	-	150,000
Total Project Appropriations	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ 150,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 984; Replacement and Repair of Roofs at Various City Buildings

Estimated Start Date:

Total Project Request: \$1,153,000

Estimated End Date: Ongoing

FY23-24 Request: \$115,000

Project Description

This project seeks funding to repair or replace roofs at the follow sites:

Historical Society Museum Roof: \$65,000 in Fiscal Year 2024

Children's Art Wing Roof Replacement: \$50,000 in Fiscal Year 2024

Russ Nolte Building Roof: \$30,000 in Fiscal Year 2025

City Hall Roof: \$300,000 in Fiscal Year 2025

Wilson Park Gym Roof Replacement: \$200,000 in Fiscal Year 2025

Fire Station #3, #6 Roof: \$154,000 in Fiscal Year 2026

Bartlett Senior Center and Historical retrofit: \$154,000 in Fiscal Year 2026

Walteria Library Roof Replacements: \$100,000 in Fiscal Year 2027

Henderson Library Roof Replacement: \$100,000 in Fiscal Year 2026

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	115,000	530,000	308,000	100,000	100,000	1,153,000
Total Project Appropriations	\$ 115,000	\$ 530,000	\$ 308,000	\$ 100,000	\$ 100,000	\$ 1,153,000

Project Title: FEAP: TBD; Saw Dust Collection System

Estimated Start Date:	Total Project Request: \$25,000
Estimated End Date: Ongoing	FY23-24 Request: \$25,000

Project Description

Acquisition and installation of a new saw dust collection system for air quality improvements in the Building Maintenance Division.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	25,000	-	-	-	-	25,000
Total Project Appropriations	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Shelving Replacement at various libraries

Estimated Start Date:

Total Project Request: \$700,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Update print media shelving at all libraries to improve sightlines, ergonomics and accessibility, and accommodate new forms of media.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	50,000	50,000	300,000	300,000	700,000
Total Project Appropriations	\$ -	\$ 50,000	\$ 50,000	\$ 300,000	\$ 300,000	\$ 700,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Telematics Implementation for Vehicles at Fleet Services

Estimated Start Date: Total Project Request: \$185,000

Estimated End Date: Ongoing FY23-24 Request: \$0

Project Description

Acquisition and implementation of new telematics vehicle tracking system for collection of real-time driver and vehicle data.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Fleet Services Fund	-	-	-	-	185,000	185,000
Total Project Appropriations	\$ -	\$ -	\$ -	\$ -	\$ 185,000	\$ 185,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN
FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Theatre Seating a 1316 Cabrillo Ave property

Estimated Start Date:	Total Project Request: \$100,000
Estimated End Date: Ongoing	FY23-24 Request: \$0

Project Description

Replace theater audience seating for durability and comfort of the public.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	-	-	50,000	50,000	100,000
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 100,000

Project Title: FEAP: TBD; Toyota Meeting Hall Lighting

Estimated Start Date:	Total Project Request: \$180,000
Estimated End Date: Ongoing	FY23-24 Request: \$180,000

Project Description

Toyota Meeting Hall lighting will be converted to LED for longer life span and dependability for public facility usage.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	180,000	-	-	-	-	180,000
Total Project Appropriations	\$ 180,000	\$ -	\$ -	\$ -	\$ -	\$ 180,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN
FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 982; Upgrade Exterior Lighting - Civic Center and Parks

Estimated Start Date:	Total Project Request: \$150,000
Estimated End Date: Ongoing	FY23-24 Request: \$0

Project Description

Civic Center and Park Exterior Lighting Retrofit.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	150,000	-	-	-	150,000
Total Project Appropriations	\$ -	\$ 150,000	\$ -	\$ -	\$ -	\$ 150,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 983; Upgrade interior lighting - Civic Center

Estimated Start Date:

Total Project Request: \$673,723

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

This project will upgrade interior lighting by retrofit or replacement at the following locations:

- City Hall & East Annex
- Civic Center Library
- Police Department
- City Yard – Services Building

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	450,000	187,723	-	-	637,723
Total Project Appropriations	\$ -	\$ 450,000	\$ 187,723	\$ -	\$ -	\$ 637,723

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 604; Various City Buildings- Boiler Replacement

Estimated Start Date:

Total Project Request: \$331,340

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Replace boiler for building heating system.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	178,820	152,520	-	-	331,340
Total Project Appropriations	\$ -	\$ 178,820	\$ 152,520	\$ -	\$ -	\$ 331,340

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Water Heater - Fire Station 1

Estimated Start Date:

Total Project Request: \$30,000

Estimated End Date: Ongoing

FY23-24 Request: \$30,000

Project Description

Replacement and installation of commercial water heater at Fire Station 1.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	30,000	-	-	-	-	30,000
Total Project Appropriations	\$ 30,000	\$ -	\$ -	\$ -	\$ -	\$ 30,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; West Annex Upgrade

Estimated Start Date:

Total Project Request: \$201,500

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

Installation of new flooring, new interior paint, and dais ADA upgrades at the West Annex Commission Room.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	-	201,500	-	201,500
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 201,500	\$ -	\$ 201,500

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Wide Format Flatbed Printer

Estimated Start Date:

Total Project Request: \$132,000

Estimated End Date: Ongoing

FY23-24 Request: \$0

Project Description

This device will improve productivity of printing on solid substrates, such as metal, wood and plastic, with the ability to cutout designs for signage and displays. This type of device incorporates a vacuum design to hold the substrate in place where our current equipment does not have this ability. This will also allow to print on flat surfaces as well as irregularly shaped and uneven surface materials. White ink printing will allow for additional design and print capabilities.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
General Fund	-	-	132,000	-	-	132,000
Total Project Appropriations	\$ -	\$ -	\$ 132,000	\$ -	\$ -	\$ 132,000

General Services

FIVE YEAR CAPITAL IMPROVEMENT PLAN
FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Wilson Park Building 8 Project

Estimated Start Date:	Total Project Request: \$1,450,000
Estimated End Date: Ongoing	FY23-24 Request: \$100,000

Project Description

Demolition and abatement of Building 8 at Charles H. Wilson Park.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	100,000	100,000	625,000	625,000	-	1,450,000
Total Project Appropriations	\$ 100,000	\$ 100,000	\$ 625,000	\$ 625,000	\$ -	\$ 1,450,000

Public Works – Department Capital Projects

Project List:

I: 126; Airport Pavement Maintenance Program
I: 144; Anza Ave Rehabilitation (190th to Sepulveda)
I: 139; Arterial Pavement Improvement Program
FEAP: TBD; Automated Meter Integration Upgrade
FEAP: TBD; City of Torrance Fiber Network and Traffic Signal Optimization
I: 191; Citywide Sewer System Improvements
I: 152; Citywide Sidewalk Ramping/Grinding Program
I: 192; Citywide Storm Drain Replacement and Installation
T: 190; Citywide Traffic Engineering and Improvements
T: 171; Citywide Traffic Signal Improvements
FEAP: TBD; Citywide Tree Planting Program
FEAP: 851; El Retiro Pk/Henrietta Pump Station-Permanent Back-up Generator
FEAP: TBD; Hawthorne Boulevard Right-Turn Lanes at Lomita Boulevard and 182nd Street
A: 183; La Carretera & Descanso Park Improvements for Van Ness Ave
I: 153; Miscellaneous Water Main Replacements for Developer and Street Rehab Projects
FEAP: TBD; Open Space Corridors Property/Easement Acquisitions & Development
I: 148; Prairie Avenue Bridge Rehabilitations
I: 159; Residential Slurry Seal Program
FEAP: 1138; Sewer Lift Station Pump Replacement
I: 135; Sidewalk Repair for handicap accessibility
I: 188; Torrance School Safety and Accessibility Program
I: 156; Undergrounding of Overhead Utilities and Installation of Underground Street Lights
I: 182; Utility Undergrounding Administration

Public Works

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: I: 126; Airport Pavement Maintenance Program

Estimated Start Date:

Total Project Request: \$500,000

Estimated End Date: Ongoing

FY23-24 Request: \$100,000

Project Description

Slurry seal, pavement repairs and/or re-striping of select asphalt surfaces and restriping of main runway.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Airport Capital Project Fund	100,000	100,000	100,000	100,000	100,000	500,000
Total Project Appropriations	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 500,000

Project Title: I: 144; Anza Ave Rehabilitation (190th to Sepulveda)

Estimated Start Date:	Total Project Request: \$260,000
Estimated End Date: Ongoing	FY23-24 Request: \$260,000

Project Description

This project will rehabilitate Anza Ave from 190th St to Sepulveda. Improvements will consist of pavement reconstruction and/or overlay; repair of curbs, gutters, and sidewalks; ADA curb ramps; parkway and median landscape improvements; traffic signal upgrades.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Prop C Local Return	260,000	-	-	-	-	260,000
Total Project Appropriations	\$ 260,000	\$ -	\$ -	\$ -	\$ -	\$ 260,000

Project Title: I: 139; Arterial Pavement Improvement Program**Estimated Start Date:****Total Project Request: \$18,500,000****Estimated End Date: Ongoing****FY23-24 Request: \$4,000,000****Project Description**

The City maintains more than 69 million square feet of asphalt roadways, including several arterial roadways. The application of a slurry seal helps extend the life of the pavement, reduces maintenance costs, and improves the appearance. For more deteriorated streets, a grind and overlay is more appropriate and will provide a smoother riding surface in addition to reducing maintenance costs and improving the appearance.

This project would provide for a grind and overlay or a slurry seal application only on arterial streets.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Gas Tax 2107/2107.5	-	-	-	-	-	-
Measure R Local Return	2,200,000	1,300,000	1,225,000	1,400,000	1,375,000	7,500,000
Prop C Local Return	1,800,000	2,300,000	2,300,000	2,300,000	2,300,000	11,000,000
Total Project Appropriations	\$ 4,000,000	\$ 3,600,000	\$ 3,525,000	\$ 3,700,000	\$ 3,675,000	\$ 18,500,000

Project Title: FEAP: TBD; Automated Meter Integration Upgrade

Estimated Start Date:	Total Project Request: \$6,600,000
Estimated End Date: Ongoing	FY23-24 Request: \$6,600,000

Project Description

This project includes upgrading water meter registers (27,000) from AMR (Automated Meter Reading) to AMI (Advanced Metering Infrastructure) cellular technology to transmit water usage data daily.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Water Capital Project Fund	6,600,000	-	-	-	-	6,600,000
Total Project Appropriations	\$ 6,600,000	\$ -	\$ -	\$ -	\$ -	\$ 6,600,000

Project Title: FEAP: TBD; City of Torrance Fiber Network and Traffic Signal Optimization**Estimated Start Date:** **Total Project Request: \$1,166,667****Estimated End Date: Ongoing** **FY23-24 Request: \$1,166,667****Project Description**

This project includes engineering design of the 144-strand fiber optic interconnect backbone, analysis of the ITS components, installation of the fiber backbone, installation of 12-strand fiber optics communication at intersections along completed fiber optic interconnect corridors, and implementation of traffic signal timing optimization at connected intersections.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure M Local Return	116,667	-	-	-	-	116,667
Measure M Reimb Grant Fund	1,050,000	-	-	-	-	1,050,000
Total Project Appropriations	\$ 1,166,667	\$ -	\$ -	\$ -	\$ -	\$ 1,166,667

Public Works

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: I: 191; Citywide Sewer System Improvements

Estimated Start Date:

Total Project Request: \$7,000,000

Estimated End Date: Ongoing

FY23-24 Request: \$1,400,000

Project Description

This project will replace or rehabilitate sewer mains in various areas in the City. Also, included is the construction of new sewer manholes to facilitate sewer maintenance.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Sewer Capital Project Fund	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000	7,000,000
Total Project Appropriations	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000	\$ 7,000,000

Public Works

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: I: 152; Citywide Sidewalk Ramping/Grinding Program

Estimated Start Date:

Total Project Request: \$250,000

Estimated End Date: Ongoing

FY23-24 Request: \$50,000

Project Description

This program is to eliminate sidewalk displacements by ramping or grinding.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure R Local Return	50,000	50,000	50,000	50,000	50,000	250,000
Total Project Appropriations	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000

Project Title: I: 192; Citywide Storm Drain Replacement and Installation**Estimated Start Date:****Total Project Request: \$10,100,000****Estimated End Date: Ongoing****FY23-24 Request: \$1,100,000****Project Description**

The purpose of the program is to replace deficient City-owned drainage systems due to drain deterioration or systems being under-sized. It also will provide for new systems, as needed to address drainage issues. The program will address areas of localized flooding, and/or deficient locations in the Storm Drain System Master Plan as well as address regional storm water projects and implement additional system improvements per National Pollution Discharge Elimination (NPDES) Requirements.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
DIF-Storm Drain Impact Capital	100,000	100,000	100,000	100,000	100,000	500,000
Measure W	1,000,000	2,150,000	2,150,000	2,150,000	2,150,000	9,600,000
Total Project Appropriations	\$ 1,100,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 2,250,000	\$ 10,100,000

Project Title: T: 190; Citywide Traffic Engineering and Improvements**Estimated Start Date:****Total Project Request: \$1,750,000****Estimated End Date: Ongoing****FY23-24 Request: \$350,000****Project Description**

This project will provide for the traffic investigations and traffic studies needed to respond to resident requests or to make other traffic improvements citywide. The project will also provide for Citywide arterial traffic signage and striping improvements.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Gas Tax 2107/2107.5	100,000	150,000	150,000	150,000	150,000	700,000
Measure M Local Return	250,000	200,000	200,000	200,000	200,000	1,050,000
Total Project Appropriations	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 1,750,000

Project Title: T: 171; Citywide Traffic Signal Improvements**Estimated Start Date:****Total Project Request: \$1,875,000****Estimated End Date: Ongoing****FY23-24 Request: \$350,000****Project Description**

To provide miscellaneous traffic signal improvements and/or installations otherwise not included with other approved/funded CIP projects. Improvements include: underground conduit installations; radio and/or fiber optic network hardware and equipment; pedestrian countdown displays; addition/replacement of signal indications; energy-efficient illuminated street name signs; video detection cameras; controllers; intelligent transportation hardware/software; CCTV cameras; signal poles and other equipment to enhance the City's signal network.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Gas Tax 2107/2107.5	100,000	100,000	100,000	100,000	100,000	500,000
Measure R Local Return	62,500	62,500	62,500	62,500	62,500	312,500
Prop C Local Return	187,500	187,500	187,500	250,000	250,000	1,062,500
Total Project Appropriations	\$ 350,000	\$ 350,000	\$ 350,000	\$ 412,500	\$ 412,500	\$ 1,875,000

Public Works

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: TBD; Citywide Tree Planting Program

Estimated Start Date:

Total Project Request: \$1,708,000

Estimated End Date: Ongoing

FY23-24 Request: \$341,600

Project Description

This project includes planting 7,000 new street trees over 5 years in parkways and medians in the public right-of-way.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	341,600	341,600	341,600	341,600	341,600	1,708,000
Total Project Appropriations	\$ 341,600	\$ 341,600	\$ 341,600	\$ 341,600	\$ 341,600	\$ 1,708,000

Public Works

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: FEAP: 851; El Retiro Pk/Henrietta Pump Station-Permanent Back-up Generator

Estimated Start Date:

Total Project Request: \$1,000,000

Estimated End Date: Ongoing

FY23-24 Request: \$500,000

Project Description

Install permanent backup generators for sewer pump stations and build a facility to house the equipment. The new building will serve to protect the equipment and for noise abatement when the generators are running (because these areas are adjacent to residential homes).

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Sewer Capital Project Fund	500,000	500,000	-	-	-	1,000,000
Total Project Appropriations	\$ 500,000	\$ 500,000	\$ -	\$ -	\$ -	\$ 1,000,000

**Project Title: FEAP: TBD; Hawthorne Boulevard Right-Turn Lanes at Lomita
Boulevard and 182nd Street****Estimated Start Date:****Total Project Request: \$1,100,000****Estimated End Date: Ongoing****FY23-24 Request: \$302,500****Project Description**

This project includes design and construction of a designated northbound right-turn pocket at the intersections of Hawthorne Boulevard at Lomita Boulevard and Hawthorne Boulevard at 182nd Street.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure M Local Return	27,500	48,000	24,500	-	-	100,000
Measure M Reimb Grant Fund	275,000	480,000	245,000	-	-	1,000,000
Total Project Appropriations	\$ 302,500	\$ 528,000	\$ 269,500	\$ -	\$ -	\$ 1,100,000

Public Works

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: A: 183; La Carretera & Descanso Park Improvements for Van Ness Ave

Estimated Start Date: Total Project Request: \$500,000

Estimated End Date: Ongoing FY23-24 Request: \$0

Project Description

This project is to restore and improve La Carretera & Descanso Parks after completion of the Van Ness Well Field Project. These funds are separated out from Van Ness Avenue Well Field Project so as to not interfere with outside funding requirements. Plans for each park would be stand alone and could be bid together or separately.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Water Capital Project Fund	-	-	500,000	-	-	500,000
Total Project Appropriations	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000

Project Title: I: 153; Miscellaneous Water Main Replacements for Developer and Street Rehab Projects**Estimated Start Date:** **Total Project Request: \$15,000,000****Estimated End Date: Ongoing** **FY23-24 Request: \$3,000,000****Project Description**

This Project is to fund the water main replacements associated with developer or street rehabilitation projects. It is the City's policy to replace cast iron water mains and/or water mains identified in the 2002 Water System Master Plan in conjunction with projects that pave roads. Water main breaks that occur after a paving project could undermine the City's investment in the new pavement. Water main breaks have undermined new pavement projects in the past where the mains were not replaced.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Water Capital Project Fund	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	15,000,000
Total Project Appropriations	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 15,000,000

**Project Title: FEAP: TBD; Open Space Corridors Property/Easement Acquisitions
& Development****Estimated Start Date:****Total Project Request: \$9,129,609****Estimated End Date: Ongoing****FY23-24 Request: \$0****Project Description**

The Open Space Corridors will supplement existing recreation opportunities and alternative transportation routes by acquiring and converting under and unutilized properties, such as current and former railroad spurs that are no longer operational or serving limited clients. The objective would be to create linear open space for pedestrians and cyclists while promoting native plants and pollinators. Where feasible, the corridors would better connect users to public facilities and key employment and commercial service districts.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure SST Fund	-	-	-	500,000	8,629,609	9,129,609
Total Project Appropriations	\$ -	\$ -	\$ -	\$ 500,000	\$ 8,629,609	\$ 9,129,609

Project Title: I: 148; Prairie Avenue Bridge Rehabilitations**Estimated Start Date:****Total Project Request: \$1,000,000****Estimated End Date: Ongoing****FY23-24 Request: \$1,000,000****Project Description**

The Prairie Avenue bridge over the Exxon Mobil “3rd Street” access road, 0.25 miles south of 190th Street has excessive corrosion below the spring line on the south side of the structure resulting in a loss of cross-section of the corrugated-steel culvert. This bridge has a Sufficiency Rating of 40.1 out of a possible 100. Bridges that have a Sufficiency Rating less than or equal to 80 are eligible for rehabilitation under this program.

Prairie Avenue Bridge over BNSF Railroad, 0.4 miles south of 190th Street is in need of deck rehabilitation, seismic retrofit, and lane widening. The work proposed includes repair deck with bonded overlay, restrain superstructure with cast-in-drilled-holes abutment piles and piers 4 and 5 with seismic infill shear walls, repair settling approaches with new approach slabs, repair failed joints at hinge and at abutments, replace corroded barriers and fencing, and remove portions of existing median and sidewalks to bring lane widths up to standard.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Prop C Local Return	1,000,000	-	-	-	-	1,000,000
Total Project Appropriations	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000

Project Title: I: 159; Residential Slurry Seal Program**Estimated Start Date:****Total Project Request: \$33,820,000****Estimated End Date: Ongoing****FY23-24 Request: \$3,850,000****Project Description**

Slurry seal is a liquid mixture of asphalt emulsion and sand that is applied to extend the life of existing asphalt pavement. The City maintains more than 69 million square feet of asphalt roadways, most of which are in residential areas. We also maintain several asphalt surfaces and drive surfaces at several City facilities. The application of slurry seal helps extend the life of the pavement and improve the appearance of the neighborhood. To be most effective, slurry seal should be applied to each street at 7 to 10 year intervals. At this rate, annual and long term maintenance costs for residential streets can be kept to a minimum.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Gas Tax 2103	2,435,000	750,000	750,000	750,000	750,000	5,435,000
General Fund	100,000	100,000	100,000	100,000	100,000	500,000
Measure M Local Return	-	1,150,000	1,815,000	1,850,000	1,850,000	6,665,000
Measure R Local Return	-	1,860,000	1,860,000	1,700,000	1,700,000	7,120,000
SB1	1,300,000	3,200,000	3,200,000	3,200,000	3,200,000	14,100,000
Total Project Appropriations	\$ 3,835,000	\$ 7,060,000	\$ 7,725,000	\$ 7,600,000	\$ 7,600,000	\$ 33,820,000

Project Title: FEAP: 1138; Sewer Lift Station Pump Replacement**Estimated Start Date:****Total Project Request: \$500,000****Estimated End Date: Ongoing****FY23-24 Request: \$500,000****Project Description**

The City currently has 9 sewer lift stations. A sewer lift station is a critical piece of our City's infrastructure included as part of our sanitary collection system. While most wastewater generated by households, businesses, and industries is collected and conveyed via gravity through large interceptor pipes, lift stations collect the wastewater at a low point in the collection network and pump it to a higher elevation to the next gravity line. This project will replace a total of eighteen pumps over a three year period, two pumps for each of the 9 sewer lift stations.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Sewer Capital Project Fund	500,000	-	-	-	-	500,000
Total Project Appropriations	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 500,000

Project Title: I: 135; Sidewalk Repair for handicap accessibility**Estimated Start Date:****Total Project Request: \$5,975,666****Estimated End Date: Ongoing****FY23-24 Request: \$1,236,334****Project Description**

This project will allow for the replacement of uplifted sidewalks to comply with ADA regulations. Many of the sidewalks have been uplifted due to the roots of adjacent trees. This project will also provide for either root pruning the offending roots or removing the entire tree should the repair of the adjacent sidewalk cause the tree to become unstable. In addition, the project will repair the adjacent curb, curb and gutter, and/or driveways should the sidewalk repair cause the existing conditions to become a tripping hazard or unsafe to pedestrians.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
CDBG Fund	683,334	683,333	683,333	683,333	683,333	3,416,666
Measure M Local Return	450,000	450,000	450,000	450,000	450,000	2,250,000
TDA Article 3 Bicycle Fund	103,000	103,000	103,000	-	-	309,000
Total Project Appropriations	\$ 1,236,334	\$ 1,236,333	\$ 1,236,333	\$ 1,133,333	\$ 1,133,333	\$ 5,975,666

Public Works

FIVE YEAR CAPITAL IMPROVEMENT PLAN FY 23-24 THROUGH FY 27-28

Project Title: I: 188; Torrance School Safety and Accessibility Program

Estimated Start Date:

Total Project Request: \$11,760,121

Estimated End Date: Ongoing

FY23-24 Request: \$11,760,121

Project Description

The project installs and/or repairs damaged or uplifted sidewalk in the vicinity of six Torrance Unified School District elementary schools. This project is being submitted as a placeholder for a pending grant application submitted to Metro. If approved, grant funding will be added to the project at a later date.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
Measure M Local Return	1,387,512	-	-	-	-	1,387,512
Measure M Reimb Grant Fund	10,372,609	-	-	-	-	10,372,609
Total Project Appropriations	\$ 11,760,121	\$ -	\$ -	\$ -	\$ -	\$ 11,760,121

Project Title: I: 156; Undergrounding of Overhead Utilities and Installation of Underground Street Lights

Estimated Start Date:	Total Project Request: \$3,500,000
Estimated End Date: Ongoing	FY23-24 Request: \$700,000

Project Description

This project will underground aerial utilities and street light wiring on Palos Verdes Blvd from Torrance Blvd to Sepulveda Blvd.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
DIF-Utility Underground Cap	700,000	700,000	700,000	700,000	700,000	3,500,000
Total Project Appropriations	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 3,500,000

Project Title: I: 182; Utility Undergrounding Administration

Estimated Start Date:	Total Project Request: \$250,000
Estimated End Date: Ongoing	FY23-24 Request: \$50,000

Project Description

This project will provide for administrative support for utility undergrounding projects citywide.

Financing Source	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Total
DIF-Utility Underground Cap	50,000	50,000	50,000	50,000	50,000	250,000
Total Project Appropriations	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 250,000

A photograph of a building entrance, likely a school or community center, featuring a mural on the wall and a set of stairs with metal railings. The image is overlaid with a blue tint. The word "APPENDIX" is written in large, white, bold, sans-serif capital letters across the center of the image.

APPENDIX

Appendix

Fiscal Policies

General Policies

The City will maintain sound financial practices in accordance with all Federal, State and local laws and direct its financial resources towards meeting the City's long-term goals.

The City will maintain and further develop programs to assure its long-term ability to pay the costs necessary to provide the level and quality of service required by its citizens.

The City annually adopts a budget for the upcoming fiscal year. Through this budget document, the City Council establishes public policy by setting funding levels for all funds and exercises control over City spending. The budget further serves as a financial planning tool to ensure that the inflow of resources (revenues) is adequate to meet both anticipated and unanticipated needs (expenditures).

The City is committed to fiscal sustainability. This is defined as maintaining a long-term view of financial planning that anticipates and proactively addresses risks to preserve and enhance quality of life and service provision as identified and prioritized through community input.

The City commits to:

1. **Informed decision-making:** Staff will identify and evaluate immediate and long-term economic, social, and environmental impacts of all issues provided for Council consideration.
2. **Transparency:** The City will conduct all business with transparency pursuant to applicable laws and regulations. The City will proactively pursue ways to make financial information publicly available, accessible, and easy to understand.
3. **Pursuing diversified revenue sources:** The City will pursue diversified revenue sources that align with community priorities and support expenditures.
4. **Managing long-term liabilities:** The City will proactively identify and monitor long-term financial liabilities, including unfunded pension and OPEB obligations, and commits to taking actions to manage these commitments that prioritize the City's long-term financial sustainability.
5. **Shared responsibility:** The City recognizes a shared responsibility between the employee and employer to appropriately fund employee benefits to attract and retain high-performing employees while maintaining a long-term sustainable and balanced budget.
6. **Seeking efficiency and effectiveness:** Staff will continuously explore ways to operate more efficiently while preserving effectiveness.

Operating Budget

The City will follow a biennial budget process, emphasizing long-range planning and effective program management. The biennial budget process allows staff to plan ahead for future years. In addition to planning a two-year budget, staff will incorporate multi-year projections to ensure the long-term strategy is balanced and achievable.

The City's use of the biennial budget process complies with Torrance City Charter (Article 9 and Article 14), which includes the following requirements:

- Definition of the fiscal year (July 1-June 30)
- Proposed budget preparation by the City Manager
- Proposed budget submission by City Manager to City Council on or before June 1
- Budget adoption by City Council (at least 4 affirmative votes) by June 30 after completing two public hearings to give an opportunity for community input

In addition to the annual budget process staff will complete two interim budget review reports, a First Quarter and Mid-Year Budget Review Report. These reports will analyze budget status at these two different points, provide an opportunity to adjust revenue or expenditure budgets as well as the approval of any program modifications.

Budget modifications may occur as necessary at any City Council meeting through staff reports that receive affirmative votes from the members of Council.

Each year, during the budget process, the following will be addressed:

- The City will adopt a balanced budget by June 30.
- The City will make all current, ongoing expenditures with current, ongoing revenues, avoiding procedures that balance current budgets by postponing needed expenditures or accruing future revenues.
- The city will estimate revenues using an objective and analytical process utilizing both past experiences and known variables; in the case of assumption uncertainty, conservative projections will be used.
- The City will maintain a level of expenditure that support essential services and promote quality of life to the citizens of Torrance.
- The City will forecast General Fund and other major internal services and enterprise funds for a five-year period and will update the forecast semi-annually. The forecast will guide budget recommendations for Council consideration.
- The City will endeavor to maintain a diversified and stable revenue stream to minimize the impact of short-term fluctuations in any one revenue source.

-
- The City will avoid targeting revenues for specific purposes wherever possible, allowing maximum flexibility in funding decisions on an annual basis.
 - One-time revenues will not be regularly utilized for recurring expenditures.
 - The City will endeavor to pay down its unfunded liabilities in the areas of pension, OPEB, and long-term debt. For the purposes of pension and OPEB, the City will utilize trust funds (Section 115 Trust) to assist in managing these long-term liabilities.

Capital Improvement Plan (CIP) Budget

The City will biennially plan for capital improvements for a 5-year period. The CIP budget will incorporate Council priorities, community objectives, and projects that will improve operational efficiency. The first year of the CIP will be presented along with the Biennial Operating Budget. In the interim year, the CIP budget will be amended as needed and recommended for Council approval.

The operating impacts of any CIP budget item will be incorporated into the operating budget to demonstrate the full cost of implementation. The City will maintain all assets at a sufficient level to protect the City's capital investment and to minimize future maintenance and replacement costs.

Budgetary Control

The City Council is responsible for adopting an annual budget for all funds of the City. The budgets of the City will be appropriated via two separate resolutions. The first resolution shall address the financial needs of the operating budget including any transfers to fund anticipated CIP needs. The second resolution shall address the financial needs of the CIP budget. The City is a Fiduciary for two funds that are outside of the purview of the City Council, which includes the Interoperability Network South Bay and the Area G Budget. These budgets are adopted by their respective Boards. The City Council also serves as the governing body for the Redevelopment Agency, the Housing Authority, and the Public Financing Authority, which addresses budgets for the Redevelopment Agency, Section 8 Housing, and Debt Service Funds. Beginning in Fiscal Year 2022-23, the City separately tracks revenues and expenditures of Measure SST, a ½ cent transactions and use tax, approved by Torrance voters in June 2022. This measure included strict accountability requirements with a 7-member oversight committee being established. This Committee is charged with reviewing activity of the Measure SST Fund during the year, along with audited financial statements ensuring that funds are spent in consistent with the City Council approved spending plan.

The budget adoption for both resolutions require a majority vote, which includes at least 4 of 7 Council members.

The City Council approves any revisions that increase the total budgeted expenditures or revenues for any funds, as appropriated, in the operating or CIP budgets. Council also approves any changes to staffing levels, including budgeted permanent and as-needed full-time equivalent positions. The City Manager is authorized by the City Council to allocate the budget to more detailed levels of control for administrative purposes within each of the respective budgets (operating and CIP). The includes changes between major projects, departments (TMC 12.1.18), programs, or object categories (i.e. different FEAPs, different departments, salaries & benefits versus materials) within a given fund's appropriation limit for each respective budget (operating and CIP).

The City Manager is also delegated authority for periodic appropriations as outlined in the Torrance Municipal Code (TMC) section 12.1.18 and further explained in City Council Policy 3. In addition, changes to the budget shall take place during regularly scheduled Council meetings as recommended. Changes to any budget requires a majority vote of the Council (4 of 7 members).

Basis of Budgeting

The City of Torrance's budget is consistent with the Annual Comprehensive Financial Report (ACFR). Governmental funds, including general, special revenue and capital project funds, are budgeted on a modified accrual basis with a focus on near-term inflows and outflows of financial resources. Revenues are recognized when measurable and available, while expenditures are recognized as soon as liabilities are incurred, except for debt service, capital lease obligations, inventories, and prepaid items. Year-end encumbrances are included in the fiscal year's expenditures (actual, budgetary basis), as they represent financial resources committed for goods or services to be delivered in the near future (usually within one or two months). However, many multi-year capital projects are budgeted on a full cost basis which spans multiple years. Budgets for capital projects remaining at year-end for active projects are continued to the next fiscal year until the completion of the project.

Proprietary funds, including enterprise funds and internal service funds, are budgeted on an accrual basis similar to private-sector businesses, with a focus on total economic resources. Revenues are recognized when they are earned, while expenses are recognized when the liability is incurred. Year-end encumbrances are excluded from the fiscal year's expenses, for the transactions that have not occurred. The City budgets for all non-cash related items such as investment adjustments to market value, depreciation, amortization and bad debt expense. Similar to governmental funds, multi-year capital projects are often budgeted on a full cost basis and the year-end active project budgets are continued to the next fiscal year until the completion of the project.

Appropriations Limit

The Council will annually adopt a resolution establishing the City's appropriations limit (the Gann Limit) calculated in accordance with Article XIII-B of the Constitution of the State of California, Section 7900 et seq. of the State of California Government Code, and any other voter approved amendments or state legislation that affect the City's appropriations limit. Under the Gann Limit, a maximum amount is established for tax-funded government services. That amount is to be adjusted each year depending on the city population, changes in non-residential assessed value, and the transfer of financial responsibility for various governmental activities from one level of government to another. Any significant amount of state tax revenue received above the Gann Limit is to lead to future tax rebates or cuts.

The supporting documentation used in calculating the City's appropriations limit and projected appropriations subject to the limit will be available for public and Council review at least 15 days before Council consideration of a resolution to adopt an appropriations limit. The Council will general consider this resolution in connection with (or as reasonably possible based on information availability from the State) the annual budget.

Fund and Reserve Policies

General Fund

The City will strive to maintain at the end of each fiscal year a General Fund Unassigned fund balance at a level that is equal to at least 20% of the fiscal year's General Fund–Operating Fund operating budget appropriation, as amended (controlling for one-time expenditures). In a year in which the City falls short a plan shall be identified to return to meet the 20% policy. Within this amount, City Council may set a portion aside under an Economic Anomaly Reserve. As of June 30, 2022, \$8,081,449 of the City's Unassigned fund balance is set aside in the City's Economic Anomaly Reserve. Council approval will be required before expending funds from the Economic Anomaly Reserve.

Internal Service Funds

The City will maintain a Fleet Replacement Fund to provide for timely replacement of vehicles and related equipment. To the extent possible, the City will maintain a balance that is equivalent to the amortized replacement cost of each vehicle at a given point in its lifecycle, including anticipated growth in replacement costs. This will ensure the timely replacement of vehicles when they have met their useful life. Interest earnings and the sale of surplus equipment along with insurance recoveries will be credited to the Fleet Replacement Fund.

The City will maintain a Self-Insurance Fund to provide centralized funding for the City's workers compensation and litigated/non-litigated claims costs. To the extent possible, the City will set funds

aside in a manner that will cover the annual costs of the fund as well as the actuarially determined liabilities of the City's workers compensation and liability claims.

Enterprise Funds

The City will maintain operating and capital reserves in these funds such that they are sufficient to cover the operating working capital needs, vehicle replacement requirements, and capital infrastructure investment needs. The levels will ensure that a proper state of good repair is maintained on the overall infrastructure (where applicable) to ensure a reliable and dependable service for customers.

Indirect Cost Allocation

Proprietary and special revenue fund programs (i.e. Section 8, Airport, Sanitation, Sewer, Water, Transit, Fleet), which are financed by user fees or grant funding, are assessed administrative costs to reflect the true costs of doing business through the City's indirect cost allocation plan. This plan provides reimbursement to the General Fund for centralized service costs such as Council, City Manager, City Attorney, Finance, General Services, Human Resources, Civil Service, and Communications & Informational Technology, which is directly applicable to enterprise and special revenue fund operations. Data used in determining the cost allocation is gathered from the year's most recent audited financial statements and applied to the coming budget year (i.e. Fiscal Year 2021-22 audited financials for the Fiscal Year 2023-24 budget). This is revised annually with FY23-24 assessing a charge equal to 29.80% of a subset of Salaries & Employee Benefits.

Debt Policy

Findings

These Debt Management Policies are intended to comply with Government Code Section 8855(i), and shall govern all debt undertaken by the City.

The City hereby recognizes that a fiscally prudent debt policy is required to:

- Maintain the City's sound financial position.
- Ensure the City has the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect the City's credit-worthiness.
- Ensure that all debt is structured to protect both current and future taxpayers, ratepayers and constituents of the City.
- Ensure that the City's debt is consistent with the City's planning goals and objectives and capital improvement program or budget, as applicable.

Policies

Purposes for Which Debt May Be Issued

-
- **Long-Term Debt.** Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements facilities, equipment and land to be owned and operated by the City.
 - (a) Long-term debt financings are appropriate when the following conditions exist:
 - When the project to be financed provides a community benefit.
 - When the project to be financed will provide benefit to constituents over multiple years.
 - When total debt does not constitute an unreasonable burden to the City and its taxpayers and ratepayers.
 - When the debt is used to refinance outstanding debt to produce debt service savings or to realize the benefits of a debt restructuring.
 - b) Long-term debt financings are not appropriate for current operating expenses and routine maintenance expenses.
 - c) The City may use long-term debt financings subject to the following conditions:
 - The project to be financed must be approved by the City Council.
 - The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project.
 - The City estimates that sufficient revenues will be available to service the debt through its maturity.
 - The City determines that the issuance of the debt will comply with the applicable state and federal law.
 - **Short-term debt.** Short-term debt may be issued to provide financing for the City's operational cash flows to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.
 - **Financing on Behalf of Other Entities.** The City may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of the City. In such cases, the City shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

Types of Debt

The following types of debt are allowable under these Debt Management Policies

- general obligation bonds
- bond or grant anticipation notes
- tax and revenue anticipation notes
- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds (including sales tax revenue bonds) and certificates of participation
- pension obligation bonds

-
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
 - tax increment financing to the extent permitted under state law
 - conduit financings, such as financings for affordable rental housing and qualified 501(c)(3) organizations

The City may from time to time find that other forms of debt would be beneficial to further its public purposes and the City Council may approve such debt without an amendment of these Debt Management Policies.

Debt shall be issued as fixed rate debt unless the City makes a specific determination as to why a variable rate issue would be beneficial to the City in a specific circumstance.

Relationship of Debt to Operating and Capital Improvement Budgets

The City is committed to long-term capital planning. The City intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the City's capital budget and the capital improvement plan.

The City shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues.

The City shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the City's public purposes.

The City shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The City shall seek to keep general fund supported debt service at no greater than the lesser of 10% of available general fund revenues or expenditures.

Policy Goals Related to Planning Goals and Objectives

The City is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and budget administration. The City intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the City's Operating and Capital Budgets.

It is a policy goal of the City to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The City will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the City to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

Internal Control Procedures

When issuing debt, in addition to complying with the terms of these Debt Management Policies, the City shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The City will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- the City's Investment Policy as they relate to the investment of bond proceeds.

It is the policy of the City to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, and for the purpose of ensuring that proceeds of debt will be used for their intended purpose, proceeds of debt will be held by a third-party trustee and the City will submit written requisitions for such proceeds.

Debt Limits

The outstanding principal amount of debt described will not exceed five percent (5%) of the total assessed value of property in the City, and debt service and lease payments incurred for financing purposes that are payable from the City's general fund will not exceed 10% of annual appropriations.

Investment Policy

The Investment Policy is approved annually by Resolution. As such, this policy is included as an attachment to the Budget Hearing Council Item of a given fiscal year.

Link: <https://www.torranceca.gov/government/council-agendas-minutes>

Debt Financing Information

Debt Issuance	Date Issued	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	Thereafter
2016 Certificate of Participation	November 15, 2016	1,257,644	1,257,644	1,256,844	1,255,244	1,259,744	23,900,015
Opus Bank Loan	October 1, 2017	644,517	644,515	644,517	644,516	446,197	-
Lease Revenue Bonds Series 2020	October 22, 2020	18,832,766	19,341,206	19,862,722	20,397,834	20,949,950	386,075,666
Lease Revenue Bonds Series 2021	April 15, 2021	2,502,768	2,508,488	2,506,186	2,501,488	2,500,953	40,066,460
State Revolving Fund Loan	June 30, 2021	922,771	922,771	922,771	922,771	922,771	13,841,560
Total		\$ 24,160,466	\$ 24,674,624	\$ 25,193,040	\$ 25,721,853	\$ 26,079,615	\$ 463,883,701

The City's debt service costs for the next five years and thereafter are presented in the table above and the detail of each debt issuance showing the principal and interest payments are in the following tables.

2016 Certificates of Participation

In 2016, the City of Torrance, with the Public Property Financing Corporation of California, issued \$22.1 million of refunding certificates of participation to refinance the 2009 Certificates of Participation issued by the Torrance Public Financing Authority to finance the acquisition of approximately 15 acres of real property for the Regional Transit Center and other City uses. A portion (\$6.1 million) of the 2016 Refunding Certificates of Participation was set aside for the construction of capital improvements related to an emergency operations center and any other public capital improvements selected by the City. The refunding certificates of participation debt is considered to be capital related.

Opus Bank Loan

In 2017, the City of Torrance entered into an installment sale agreement with the Public Property Financing Corporation of California, for the purpose of financing the drilling and construction of a new water well, the North Torrance Well Field Project. The proceeds from the agreement were \$5.8 million for construction of the project. The installment sale agreement debt is considered to be capital related.

Lease Revenue Bonds Series 2020

In July 2020, as one component of the City's budget revisions for the 2020-21 fiscal year, the City refinanced a portion of the Unfunded Accrued Liability ("UAL") of the City's Miscellaneous, Safety Fire, and Safety Police pension plans with CalPERS. The City refinancing would accomplish three goals: to generate cash flow savings to the City and taxpayers through historically low interest rates relative to the CalPERS discount rate assumption; create a repayment schedule for the City's pension liabilities that increases more gradually; and set aside 20% of the savings into a Trust to

mitigate future pension cost increases. The refinancing was achieved through the issuance of \$349.5 million of lease revenue bonds by the Torrance Joint Powers Financing Authority, which are expected to have an all-in cost of financing between 3.0% and 4.0% (versus 6.8% CalPERS charges the City on the outstanding UAL debt) based on anticipated market conditions. The City makes lease payments from its general fund under a lease/leaseback of certain real property consisting of most of the City's streets.

State Revolving Fund Loan

In September 2020, Council approved the State Water Resources Control Board Installment Sale Agreement establishing terms and conditions for a \$16.0 million State Revolving Fund Loan for water well capacity enhancements to the Van Ness Water Well and Transmission Main, I-45. The loan will be distributed to the City on a project cost reimbursement basis. Throughout the duration of construction, the City will make annual interest payments by fiscal year end (June 30), based only on the project's incurred costs. The City will begin making the twenty annual payments on the principal of the loan one year after construction is completed. Construction is estimated to be completed within 36 months. Construction is anticipated to begin by June 30, 2021.

Lease Revenue Bonds Series 2021

In March 2021, as one component of the City's ongoing efforts to reduce near-term expenditures in response to the COVID-19 pandemic, the City restructured and refinanced its outstanding Certificates of Participation (Refunding and Capital Projects), Series 2014 ("2014 COPs"). The City's primary goal for the financing was to reduce principal lease payments related to the 2014 COPs in fiscal years 2020-21 and 2021-22, but the City also reduced financing costs using lower interest rates available. The financing was achieved through the issuance of \$39.7 million of lease revenue bonds by the Torrance Joint Powers Financing Authority. The City makes lease payments from its general fund under a lease/leaseback of certain real property consisting of the City Yard and Transit Facility.

Credit Ratings

The below is an excerpt from the November 18, 2022 Standard & Poors (S&P) Rating Report. As shown below, the City has restored its “AA” rating to Stable from Negative:

Credit Profile		
Torrance rfdg certs of part		
Long Term Rating	AA/Stable	Affirmed
Torrance taxable lse rev bnds		
Long Term Rating	AA/Stable	Affirmed
Torrance Jt Pwrs Finncg Auth, California		
Torrance, California		
Torrance Jt Pwrs Finncg Auth (Torrance) 2021 taxable rfdg certs of part (Torrance) ser 2021 due 06/01/2044		
Long Term Rating	AA/Stable	Affirmed

Outlook

The stable outlook reflects our expectation that the city's financial position will continue to improve in the near-term as the recent sales tax increase generates new revenues and the tax base continues to recover.

Downside scenario

We could lower the ratings if the city were to underperform its current projections and return to negative operations without a plan to correct the imbalance, or should long-term liabilities increase.

Upside scenario

While unlikely within the two-year outlook horizon, we could raise the rating if the city were to sustain its reserves at a level commensurate with those of higher-rated peers, while its debt burden moderates.

Debt Service Schedules

2016 Certificate of Participation

Date	Principal	Interest Rate	Interest	Total Debt Service
5/1/2017			\$ 398,535	\$ 398,535
11/1/2017	395,000	2.000%	432,147	827,147
5/1/2018			428,197	428,197
11/1/2018	405,000	3.000%	428,197	833,197
5/1/2019			422,122	422,122
11/1/2019	420,000	3.000%	422,122	842,122
5/1/2020			415,822	415,822
11/1/2020	435,000	4.000%	415,822	850,822
5/1/2021			407,122	407,122
11/1/2021	450,000	4.000%	407,122	857,122
5/1/2022			398,122	398,122
11/1/2022	470,000	4.000%	398,122	868,122
5/1/2023			388,722	388,722
11/1/2023	490,000	4.000%	388,722	878,722
5/1/2024			378,922	378,922
11/1/2024	510,000	4.000%	378,922	888,922
5/1/2025			368,722	368,722
11/1/2025	530,000	4.000%	368,722	898,722
5/1/2026			358,122	358,122
11/1/2026	550,000	4.000%	358,122	908,122
5/1/2027			347,122	347,122
11/1/2027	580,000	5.000%	347,122	927,122
5/1/2028			332,622	332,622
11/1/2028	610,000	5.000%	332,622	942,622
5/1/2029			317,372	317,372
11/1/2029	640,000	5.000%	317,372	957,372
5/1/2030			301,372	301,372
11/1/2030	670,000	5.000%	301,372	971,372
5/1/2031			284,622	284,622
11/1/2031	705,000	5.000%	284,622	989,622
5/1/2032			266,997	266,997
11/1/2032	735,000	3.000%	266,997	1,001,997
5/1/2033			255,972	255,972
11/1/2033	755,000	3.000%	255,972	1,010,972
5/1/2034			244,647	244,647
11/1/2034	780,000	3.000%	244,647	1,024,647
5/1/2035			232,947	232,947
11/1/2035	805,000	3.125%	232,947	1,037,947
5/1/2036			220,369	220,369
11/1/2036	830,000	3.125%	220,369	1,050,369
5/1/2037			207,400	207,400
11/1/2037	860,000	4.000%	207,400	1,067,400
5/1/2038			190,200	190,200
11/1/2038	895,000	4.000%	190,200	1,085,200
5/1/2039			172,300	172,300
11/1/2039	930,000	4.000%	172,300	1,102,300
5/1/2040			153,700	153,700
11/1/2040	970,000	4.000%	153,700	1,123,700
5/1/2041			134,300	134,300
11/1/2041	1,010,000	4.000%	134,300	1,144,300
5/1/2042			114,100	114,100
11/1/2042	1,050,000	4.000%	114,100	1,164,100
5/1/2043			93,100	93,100
11/1/2043	1,095,000	4.000%	93,100	1,188,100
5/1/2044			71,200	71,200
11/1/2044	1,140,000	4.000%	71,200	1,211,200
5/1/2045			48,400	48,400
11/1/2045	1,185,000	1.000%	48,400	1,233,400
5/1/2046			24,700	24,700
11/1/2046	1,235,000	4.000%	24,700	1,259,700
Total	\$ 22,135,000		\$ 15,989,308	\$ 38,124,308

Opus Bank Loan – Water Fund

Date	Principal	Interest Rate	Interest	Debt Service
5/1/2018	\$ 195,000	2.360%	\$ 6,064	\$ 201,064
11/1/2018	256,716	2.360%	3,599	260,315
5/1/2019	259,745	2.360%	10,400	270,145
11/1/2019	262,810	2.360%	62,596	325,406
5/1/2020	265,911	2.360%	56,347	322,258
11/1/2020	269,049	2.360%	53,209	322,258
5/1/2021	272,224	2.360%	50,034	322,258
11/1/2021	275,436	2.360%	46,822	322,259
5/1/2022	278,686	2.360%	43,572	322,258
11/1/2022	281,975	2.360%	40,283	322,258
5/1/2023	285,302	2.360%	36,956	322,258
11/1/2023	288,669	2.360%	33,590	322,259
5/1/2024	292,075	2.360%	30,183	322,258
11/1/2024	295,521	2.360%	26,737	322,258
5/1/2025	299,008	2.360%	23,250	322,258
11/1/2025	302,537	2.360%	19,721	322,258
5/1/2026	306,107	2.360%	16,151	322,258
11/1/2026	309,719	2.360%	12,539	322,258
5/1/2027	313,373	2.360%	8,885	322,258
11/1/2027	317,071	2.360%	5,187	322,258
5/1/2028	122,494	2.360%	1,445	123,939
Total	\$ 5,749,428		\$ 587,571	\$ 6,336,999

Lease Revenue Bonds Series 2020

Date	Principal	Interest Rate	Interest	Debt Service
10/1/2021	\$ 2,015,000	1.239%	\$ 10,354,094	\$ 12,369,094
4/1/2022			5,485,266	5,485,266
10/1/2022	7,415,000	1.289%	5,485,266	12,900,266
4/1/2023			5,437,477	5,437,477
10/1/2023	8,015,000	1.427%	5,437,477	13,452,477
4/1/2024			5,380,290	5,380,290
10/1/2024	8,650,000	1.604%	5,380,290	14,030,290
4/1/2025			5,310,917	5,310,917
10/1/2025	9,325,000	1.804%	5,310,917	14,635,917
4/1/2026			5,226,805	5,226,805
10/1/2026	10,050,000	2.105%	5,226,805	15,276,805
4/1/2027			5,121,029	5,121,029
10/1/2027	10,830,000	2.255%	5,121,029	15,951,029
4/1/2028			4,998,921	4,998,921
10/1/2028	11,655,000	2.422%	4,998,921	16,653,921
4/1/2029			4,857,779	4,857,779
10/1/2029	12,535,000	2.522%	4,857,779	17,392,779
4/1/2030			4,699,712	4,699,712
10/1/2030	13,470,000	2.622%	4,699,712	18,169,712
4/1/2031			4,523,121	4,523,121
10/1/2031	14,460,000	2.772%	4,523,121	18,983,121
4/1/2032			4,322,705	4,322,705
10/1/2032	15,510,000	2.872%	4,322,705	19,832,705
4/1/2033			4,099,981	4,099,981
10/1/2033	16,625,000	2.972%	4,099,981	20,724,981
4/1/2034			3,852,934	3,852,934
10/1/2034	17,810,000	3.072%	3,852,934	21,662,934
4/1/2035			3,579,372	3,579,372
10/1/2035	19,120,000	3.703%	3,579,372	22,699,372
4/1/2036			3,225,365	3,225,365
10/1/2036	20,555,000	3.703%	3,225,365	23,780,365
4/1/2037			2,844,790	2,844,790
10/1/2037	22,060,000	3.703%	2,844,790	24,904,790
4/1/2038			2,436,349	2,436,349
10/1/2038	23,645,000	3.703%	2,436,349	26,081,349
4/1/2039			1,998,562	1,998,562
10/1/2039	25,310,000	3.703%	1,998,562	27,308,562
4/1/2040			1,529,947	1,529,947
10/1/2040	26,590,000	3.803%	1,529,947	28,119,947
4/1/2041			1,024,338	1,024,338
10/1/2041	19,535,000	3.803%	1,024,338	20,559,338
4/1/2042			652,880	652,880
10/1/2042	19,450,000	3.803%	652,880	20,102,880
4/1/2043			283,038	283,038
10/1/2043	14,885,000	3.803%	283,038	15,168,038
Total	\$ 349,515,000		\$ 172,137,247	\$ 521,652,247

Lease Revenue Bonds Series 2021

Date	Principal	Interest Rate	Interest	Debt Service
12/1/2021			\$ 664,606	\$ 664,606
6/1/2022			529,332	529,332
12/1/2022			529,332	529,332
6/1/2023	1,445,000	0.408%	529,332	1,974,332
12/1/2023			526,384	526,384
6/1/2024	1,450,000	0.640%	526,384	1,976,384
12/1/2024			521,744	521,744
6/1/2025	1,465,000	1.181%	521,744	1,986,744
12/1/2025			513,093	513,093
6/1/2026	1,480,000	1.331%	513,093	1,993,093
12/1/2026			503,244	503,244
6/1/2027	1,495,000	1.708%	503,244	1,998,244
12/1/2027			490,477	490,477
6/1/2028	1,520,000	1.908%	490,477	2,010,477
12/1/2028			475,976	475,976
6/1/2029	1,555,000	2.187%	475,976	2,030,976
12/1/2029			458,972	458,972
6/1/2030	1,590,000	2.287%	458,972	2,048,972
12/1/2030			440,790	440,790
6/1/2031	1,625,000	2.487%	440,790	2,065,790
12/1/2031			420,583	420,583
6/1/2032	1,665,000	2.637%	420,583	2,085,583
12/1/2032			398,630	398,630
6/1/2033	1,705,000	2.837%	398,630	2,103,630
12/1/2033			374,445	374,445
6/1/2034	1,755,000	2.837%	374,445	2,129,445
12/1/2034			349,550	349,550
6/1/2035	1,805,000	3.279%	349,550	2,154,550
12/1/2035			319,957	319,957
6/1/2036	1,865,000	3.279%	319,957	2,184,957
12/1/2036			289,380	289,380
6/1/2037	1,925,000	3.279%	289,380	2,214,380
12/1/2037			257,820	257,820
6/1/2038	1,990,000	3.279%	257,820	2,247,820
12/1/2038			225,194	225,194
6/1/2039	2,060,000	3.279%	225,194	2,285,194
12/1/2039			191,420	191,420
6/1/2040	2,115,000	3.379%	191,420	2,306,420
12/1/2040			155,687	155,687
6/1/2041	2,190,000	3.379%	155,687	2,345,687
12/1/2041			118,687	118,687
6/1/2042	2,270,000	3.379%	118,687	2,388,687
12/1/2042			80,336	80,336
6/1/2043	2,340,000	3.379%	80,336	2,420,336
12/1/2043			40,801	40,801
6/1/2044	2,415,000	3.379%	40,801	2,455,801
Total	\$ 39,725,000		\$ 16,558,944	\$ 56,283,944

State Revolving Fund Loan – Water Fund

Date	Principal	Interest Rate	Interest	Debt Service
6/30/2021	\$ -	1.400%	\$ 20,397	\$ 20,397
6/30/2022	-	1.400%	148,569	148,569
6/30/2023	-	1.400%	206,156	206,156
6/30/2024	698,771	1.400%	224,000	922,771
6/30/2025	708,554	1.400%	214,217	922,771
6/30/2026	718,473	1.400%	204,297	922,771
6/30/2027	728,532	1.400%	194,239	922,771
6/30/2028	738,731	1.400%	184,039	922,771
6/30/2029	749,074	1.400%	173,697	922,771
6/30/2030	759,561	1.400%	163,210	922,771
6/30/2031	770,195	1.400%	152,576	922,771
6/30/2032	780,977	1.400%	141,794	922,771
6/30/2033	791,911	1.400%	130,860	922,771
6/30/2034	802,998	1.400%	119,773	922,771
6/30/2035	814,240	1.400%	108,531	922,771
6/30/2036	825,639	1.400%	97,132	922,771
6/30/2037	837,198	1.400%	85,573	922,771
6/30/2038	848,919	1.400%	73,852	922,771
6/30/2039	860,804	1.400%	61,967	922,771
6/30/2040	872,855	1.400%	49,916	922,771
6/30/2041	885,075	1.400%	37,696	922,771
6/30/2042	897,466	1.400%	25,305	922,771
6/30/2043	910,030	1.400%	12,740	922,771
Total	\$ 16,000,000		\$ 2,830,536	\$ 18,830,536

Glossary

Asset Contra Account – This account is used to offset expenses that are capitalized and thus treated as fixed assets in the City's balance sheet. As such, this classification is an offset to expense for capital acquisitions and result in a net zero effect on operating activities.

Bad Debts and Other Losses – This classification represents the noncash costs of writing off a receivable (asset) from the balance sheet and the noncash value lost below the book value (typically purchase price) for the sale of fixed assets or investments.

Balanced Budget – a balanced budget as a budget in which all sources meet or exceed the proposed appropriations resolution. In a given year, a planned use of fund balance (source) may be identified as a balancing measure though is not a preferred long-term solution over multiple years and should be avoided for a recurring expenditure.

Capital Acquisitions – This classification represents the asset purchases which are capitalized to the balance sheet, but are budgeted for purchase requisition purposes and are offset by the corresponding contra classification to have a net zero effect on operating activities (refer to Asset Contra Account). The expense is recognized in the depreciation and amortization classification when placed in use.

Capital Asset Condition – Financial measure calculating the annual change in net asset value.

Charges for Services – This classification represents cash receipts from business-type activities. Included in this classification are revenue from the Enterprise Funds, planning and zoning fees, inspection fees and internal service fees charged to city departments.

Debt Burden Ratio – Financial measure calculating long-term liabilities (excluding pension obligation) as a percentage of revenues.

Debt Service – This classification represents the costs to issue debt, the principal and interest payments made on the borrowings and capital lease payments.

Debt Service Reimbursements – This classification is an offset to debt services costs to show a net zero effect on the statement of operations.

Depreciation and Amortization – This classification represents the noncash costs of fixed or intangible assets (buildings, utility, machinery and equipment, furniture and fixtures, vehicles and infrastructure improvements) over its useful life.

Extraordinary Gain – This classification represents monetary value received greater than the book value (typically purchase price) for the sale of an asset or group of assets and considered infrequent and unusual.

Extraordinary Loss – This classification represents noncash value lost below the book value (typically purchase price) for the sale of an asset or group of assets and considered infrequent and unusual.

Fines, Forfeitures and Penalties – This classification represents cash receipts from general fines, parking citations, and traffic fines.

Fund Balance – This is defined as the balance for a given fund of all assets minus all liabilities. Within fund balance the balance is broken into main categories such as Nonspendable, Restricted, Assigned, and Unassigned. When examining proprietary funds (i.e. internal service funds and enterprise funds) this is often referred to as net position. This can serve as a source in a year when expenditures would exceed budgeted revenues to balance the budget.

General Fund Reserve Ratio – Financial measure calculating the unassigned portion of the fund balance as a percentage of budgeted expenditures.

Interdepartmental Charges – This classification represents internal expense allocations across various funds and General Fund programs. This includes charges from the Self-Insurance Fund for worker's compensation related administrative and insurance costs, from various General Fund programs to the Enterprise Funds for administrative costs (indirect costs) and from the Enterprise Funds to the General Fund for right-of-way franchise fees.

Intergovernmental – This classification represents cash funding received from state, federal and other municipalities.

Liabilities, Settlements & Insurance – This classification represents the costs of litigation, settlements, worker's compensation and insurance premiums and deductibles.

Licenses, Fees and Permits – This classification represents cash receipts from construction permits, building permits, animal licenses and fire permits.

Liquidity Ratio – Financial measure calculating the cash and investments as a percentage of liabilities.

Materials Reimbursements – This classification represents an offset to Materials, Supplies & Maintenance expense classification for a department or fund's non-wage resources used by or transferred to another department or fund. The City has changed to directly charging departments and has discontinued the use of reimbursements in most departments.

Materials, Supplies & Maintenance – This classification represents non-wage costs for department operations and includes office supplies, construction materials, recreation program supplies, building maintenance, Fleet warehouse and labor charges and vehicle parts and replacement charges.

Net Operating Activity – The excess or deficit of sources (revenues) less uses (expenditures).

Operating Transfers In – This classification represents contributions/transfers from other funds within the city.

Other Expenditures – This classification represents costs which are not classified under other areas and considered one-time in nature.

Other Financing Sources – This classification represents proceeds from bonds and tax revenue anticipation notes.

Other Operating Transfers Out – This classification represents contributions/transfers to other funds within the city.

Other Post-Employment Benefits (OPEB) Funded Status – Financial measure calculating the total plan assets as a percentage of plan liabilities.

Other Revenues – This classification represents cash receipts or funding which are not classified under other areas and considered one-time in nature (donations).

Parts, Fuel & Lubricants Contra – This account is used to offset expenses that are treated as inventory assets in the City's balance sheet. As such, this classification is an offset to expense for Fleet warehouse parts and vehicle fuel and result in a net zero effect on operating activities.

Parts, Fuel & Lubricants Inventory Purchases – This classification represents Fleet warehouse parts, vehicle fuel and lubricant costs which are classified as inventory assets on the balance sheet, but are budgeted for purchase requisition purposes and are offset by the corresponding contra classification to have a net zero effect on operating activities (refer to Parts, Fuel & Lubricants Contra). The expense is incurred upon use of the inventory and recognized on the statement of operations.

Pension Funded Status – Financial measure calculating the total plan assets as a percentage of plan liabilities.

Pension Obligation Ratio – Financial measure calculating net pension liability and pension related debt as a percentage of revenues.

Professional/Contract Services & Utilities – This classification represents costs for third-party services and utilities. Included in this classification are software licenses, electricity, gas and water.

Reimbursements-Indirect Costs – This classification represents the reimbursement received as a result of the indirect costs charged by the General Fund to various funds receiving benefits that proportionately offset administrative costs.

Salaries and Benefits Reimbursements – This classification represents an offset to expense for an employee's resources used by another department or fund. The City has changed to directly charging funds and has discontinued the use of reimbursements in most departments.

Salaries and Employee Benefits – This classification represents costs from base wages, overtime, pension costs and employee benefits.

Self-Insurance Funded Status – Financial measure calculating the fund assets as a percentage of liabilities.

Stored Water Rights Contra – This account is used to offset expenses that are treated as inventory assets in the City's balance sheet. As such, this classification is an offset to expense for payment of the replenishment assessment to convert or bank unused groundwater pumping rights to carryover storage.

Stored Water Rights Inventory Purchases – This classification represents costs for converting or banking unused groundwater pumping rights to carryover storage. This is treated as an inventory asset of the City, but are budgeted for purchase requisition purposes and are offset by the

corresponding contra classification to have a net zero effect on operating activities (refer to Stored Water Rights Contra).

Structurally Balanced Budget –The City defines a structurally balanced budget as one where recurring revenues meet or exceed recurring expenditure appropriation levels.

Taxes – This classification represents cash receipts from levied taxes and includes sales tax, property tax, business license tax, utility users' tax and franchise fees.

Training, Travel & Membership Dues – This classification relates to costs incurred from employee training, tuition reimbursement, continuing education, out of town travel and professional membership dues.

Use of Money and Property – This classification represents cash receipts from rental income on city property, change in market value from investments and accrued interest.

Unfunded Accrued Liability – In a defined benefit pension plan, unfunded accrued liability (UAL) is the difference between the actuarially determined estimated cost of future benefit and the assets that have been set aside to pay for those benefits.

Water Supply Costs –This classification represents costs for water supply (i.e. groundwater and desalinated water) provided by the West Basin Municipal Water District, the Metropolitan Water District and the Water Replenishment District.